



## Weinberger Expected to Urge Airborne MX

By Lou Cannon  
and Michael Getler  
*Washington Post Service*

WASHINGTON — Reports have surfaced that Secretary of Defense Caspar W. Weinberger will recommend a totally unexpected solution to the problem of where to base the MX intercontinental ballistic missile: putting them aboard converted jet transports for aerial launching.

The reports, from government and industrial sources, were denied immediately by Mr. Weinberger, who said he has made no decision on the question of where and how the MX will be deployed.

"There are a great many rumors floating around, and this is one of six," Mr. Weinberger said. "I haven't decided anything or made any recommendation yet."

Nevertheless, sources on Capitol Hill, from within the administration and among defense contractors

provided similar accounts of a plan they said Mr. Weinberger will recommend soon. The plan involves placing 100 MX missiles aboard a new fleet of 100 giant C-5A Air Force jet transports.

### Interim Solution

This essentially would do away with basing 200 MX missiles on land along with 4,600 protective shelters spread throughout Utah and Nevada. That solution was adopted by the Carter administration, but has come under fire from some of President Reagan's otherwise staunchest supporters in the West.

The president has indicated that he has serious reservations about the land-basing of the MX missile, even though the Air Force favors it.

Under the new plan a single MX missile, enclosed in what is called a launch capsule, would be put on each modified C-5A. These planes

would be kept on alert on runways at a string of bases, some of them new, in the central part of the United States. Upon warning of attack, the planes would be launched within minutes and therefore theoretically would be invulnerable to a first strike.

The initial force of 100 planes and missiles is described by sources as an interim solution that would lead eventually to deployment of a larger airborne force in a new airplane nicknamed "Big Bird," which would be especially designed for the 250,000-pound MX missile and capsule combination.

### Air Force Objection

The Air Force is known to object strongly to this plan, which had been studied and rejected twice before by Air Force leaders and the Carter administration. The Air Force feels the airborne launch system would be ultimately too

costly and that it would have less ability to survive than the full MX ground-based plan. Sources said Wednesday that a new task force has been formed within the Air Force to oppose the prospect of such a recommendation going to the president, and will make its case to Mr. Weinberger next week.

There were suggestions from some sources Wednesday that the Air Force was behind the reports that were circulated, in a possible effort to overturn the plan.

Throughout the long debate about what to do about the MX, officials have emphasized repeatedly that there is no noncontroversial answer to the basing problem. Each proposal has a wide range of supporters and opponents. In the case of the pending land-basing proposal, opposition had been expressed by Mr. Reagan's former national campaign chairman, Sen. Paul Laxalt, a Nevada Republican, and by the Mormon Church.

The airborne-basing plan has emerged because it seems to have important economic, political and military advantages, at least in the short run. The administration is known to be seeking defense economies approaching \$10 billion a year to carry out Mr. Reagan's promise to balance the budget by 1984.

### Need for New Bases

The airborne plan would be less costly in the next few years. Many specialists say, however, that it would be ultimately more expensive than any of the alternatives.

Initial estimates are that it would cost \$15 billion just for new bases and other facilities, not counting the cost of the planes or the missiles. New bases would be needed, specialists said, because many existing bomber bases are near the coast, and the idea would be to keep the new planes as far away as possible from missile-carrying submarines.

The future Big Bird program envisions keeping many planes in the air at all times, adding further to the operating costs of the system.

A political advantage of the airborne plan is that it would avoid the environmental controversy that is certain to continue surrounding any proposal for a land-based MX system. On the other hand, the building of many new bases could lead to similar political opposition.

Militarily, the airborne plan offers the possibility that more U.S. weapons would be able to escape a first strike. Furthermore, the airborne missiles clearly would not be a first-strike weapon, and thus would not threaten an enemy to the same degree as land-based missiles.

On the other hand, military specialists also say they believe that no matter where the planes are based, a barrage of nuclear weapons exploding over the central United States would keep them from taking off.

## Spy Agencies, Weinberger Feud

By Richard Halloran  
*New York Times Service*

WASHINGTON — With the Soviet Union apparently deploying its new medium-range SS-20 nuclear missiles at a rapid pace, Secretary of Defense Caspar W. Weinberger has become involved in a dispute with intelligence agencies over publicizing evidence of the deployment, according to administration officials.

Secretary of State Alexander M. Haig Jr. asserted in a speech in New York on Tuesday that the Soviet Union already had 750 nuclear warheads deployed on the SS-20s, which was considerably more than previously known, and said that "the pace of the Soviet buildup is increasing."

The administration officials here said that the Soviet Union had deployed 235 to 250 missile launchers, which supported Mr. Haig's statement since each missile can carry three warheads. Two-thirds of the launchers are aimed at Western Europe and a third at China or other targets in Asia, the officials said. Japanese officials have noted, according to press reports from Tokyo, that SS-20s could reach any target in Japan.

Mr. Haig and administration officials may have understood the deployment. Sources with access to intelligence reports said that each launcher might be armed with three or four missiles. They said, however, that the intelligence on that was uncertain.

### Publication Resisted

In any event, Mr. Weinberger has been anxious the officials said, to make public photographs and maps of the SS-20 deployments in an effort to generate support here and especially in Western Europe for a U.S. plan to counter them.

That plan calls for deploying Pershing-2 ballistic missiles and

Tomahawk cruise missiles in Western Europe, beginning in 1983. Britain, West Germany and Italy have agreed to have them on their soil, despite political opposition, but other nations have refused.

The officials said, however, that the Defense Intelligence Agency and the CIA had adamantly refused to permit any publication of the evidence. The officials said that the intelligence agencies feared disclosure of their methods and the quality of their information.

### Prodding by Europe

The idea of publicizing the evidence arose last April, after Mr. Weinberger had sponsored what was said to have been a vivid and successful briefing on the Soviet threat to European defense ministers in Bonn. Mr. Weinberger repeated the briefing a month later in Brussels.

In both cases, the European ministers emerged from the briefing to exclaim on the precision and breadth of the briefing and to let it be known that they had asked Mr. Weinberger to make public as much information as possible so that they could persuade their own citizens of the extent of the threat.

Mr. Weinberger said at the time that he agreed with his European colleagues and would see what could be done. But he ran into immediate resistance, the officials said, with his own intelligence people and with the CIA, which is in charge of space satellite reconnaissance.

After several months of talks, the officials said, Mr. Weinberger recently wrote a memorandum to the Defense Intelligence Agency, which is nominally under his control, asserting that they must prove to him why the evidence could not be publicized.

The officials said that the intelligence people were adamant in refusing because any revelation could give the Soviet Union information that would enable them to hide the missiles from U.S. satellites or other sensors.

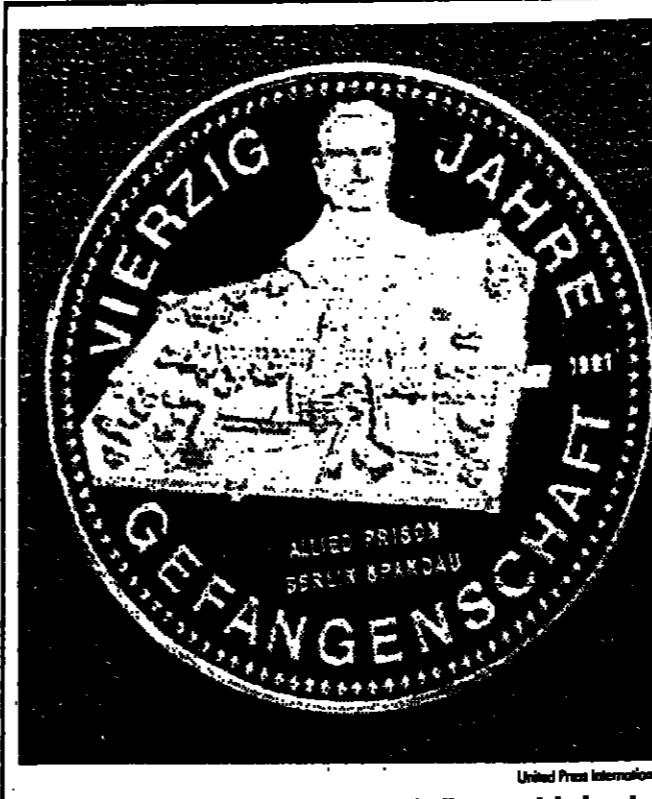
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### Middle Road Sought

The SS-20 missile comes in three versions, according to a study done by the General Dynamics Corp., a leading military contractor and builder of cruise missiles. One can carry a 1.5-megaton nuclear warhead for 3,500 miles while a second can carry three smaller warheads aimed at separate targets. A third can carry a 50-kiloton warhead 4,600 miles.

The SS-20 is a two-stage, solid-fuel ballistic missile that can be launched from a tracked transporter. At the beginning of 1980, the Soviet Union had deployed 100 missile launchers. That number grew to 160 by autumn of that year, according to intelligence sources. In January 1981, Harold Brown, in his final report to Congress as secretary of defense, said the number had grown to 180. Mr. Weinberger reported in April that 220 launchers had been deployed, with the number having moved up to 235 to 250.

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United Press International

**HESS MEDALLION** — Gold and silver medals bearing the likeness of Rudolf Hess, the convicted Nazi war criminal, are being sold by a Munich publishing house. The back of the medal, pictured here, shows Hess and the Spandau prison in West Berlin and carries the inscription "40 Years' Imprisonment." The front of the medal shows Hess' face. Hess, 87, has been in captivity since parachuting into Scotland on an ill-fated "peace mission" in 1941. Saturday will be the 34th anniversary of his incarceration at Spandau.

## French Policy Aims To Counter Qadhafi

By Joseph Fitchett  
*International Herald Tribune*

**PARIS** — French officials, explaining the Socialist government's announcement of resumed arms deliveries to Libya, say the decision is the initial public step in a new strategy for limiting Col. Moammar Qadhafi's attempts to intimidate French-supported African states.

At an External Relations Ministry briefing Wednesday, a spokesman said France would not sign new arms deals with Libya as long as Libyan troops remained in Chad, but would honor existing weapons and oil-exploration contracts embargosed by the previous French government.

The weapons deal includes 32 Mirage F-1 fighter planes, seven Combattante II missile boats of the sort previously sold to Israel, and large quantities of ammunition and spare parts for French arms already purchased by Libya.

Some Paris newspapers described the Socialist attitude as a revival of pragmatic French efforts to sell arms to gain access to oil, but French officials defended the policy as a bid to set clear limits to French cooperation with Libya and a oil-exploration contract with France's state-owned Elf-Aquitaine.

As an example of how Libya purveyed this impression, the officials cited the leak in Tripoli, on the day Libyan troops entered Chad, of a new oil-exploration contract with France's state-owned Elf-Aquitaine.

This impression of French ambiguity, the officials said, persisted even after Mr. Giscard d'Estaing embargoed arms deliveries to Libya and the oil-exploration contract.

Efforts by the previous French government to incite rebellion in Chad to the Libyan presence apparently were equally futile in influencing opinion among African leaders, who recently voted for Tripoli as the site of the next summit meeting of the Organization for African Unity. The new French government, officials said, is concerned that the threat of Mr. Habré's operations from Sudanese sanctuaries has increased Mr. Goukouni's reliance on Libya.

In his remarks opening the scheduled eight-hour debate, Mr. Whitelaw explained that military camps and detention centers would not house just riot prisoners, but would be used to cope with overflow from Britain's prisons caused by riot convictions.

For a nation already sensitive to charges that police harshness has been a major factor in the riots, the British government has already become a major issue. Wednesday night, rioters set fire to cars, threw firebombs and tried to build barricades on sidewalks.

Questioned about the possible contradiction between France's decision to resume oil and arms deals

with Libya and the French desire to reduce political cooperation with Col. Qadhafi, officials pointed out that French-made arms made up only a fraction of Libya's mainly Soviet-supplied arsenal. They added that the United States, not France, remained Libya's main oil customer.

In seeking a new policy toward Libya, French officials said, the Socialist government hopes to restore France's credibility in the eyes of pro-French African rulers, many of whom were shaken when former President Valéry Giscard d'Estaing failed to oppose Libya's military intervention in Chad last December.

Key officials, both in the External Relations Ministry and in the Ministry of Cooperation, which handles African affairs, said Thursday that France was unable to react effectively at the time because it could not rally a solid African front. They said key African leaders, influenced by Libyan propaganda, had believed that Mr. Giscard d'Estaing was pursuing an equivocal policy toward Col. Qadhafi, denouncing him in public while quietly pursuing business as usual.

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The assessment — issued in a party resolution on July 1, the 60th anniversary of the party's founding — went through six major revisions during a 15-month period, the magazine reported Wednesday. It was the first time that China's controlled press has reported any behind-the-scenes activity leading up to a major party decision or pronouncement.

## Britain Sets Up Inquiries After Trouble in Brixton

(Continued from Page 1)

On Thursday, as two senior Home Office officials arrived to inspect the damage, feelings were running high. About 50 persons surrounded the two civil servants in Rainton Road and a black man shouted, "This is war, man."

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## WORLD NEWS BRIEFS

### IRA Assails Red Cross Move on Hunger Strikes

**BELFAST** — Irish Republicans Thursday criticized an attempt by the Red Cross to end the prison hunger strikes in Northern Ireland, calling it a cosmetic exercise by the British government.

"We are not at all optimistic about this new International Red Cross initiative," said a spokesman of Sinn Fein, the political arm of the Provisional Irish Republican Army.

A three-man team from the Geneva-based International Committee of the Red Cross visited Belfast's Maze prison Thursday to begin studying conditions there. The British government on Wednesday accepted the Red Cross offer of assistance.

### U.S. Urged to Pay War Internees \$25,000 Each

**WASHINGTON** — A representative of the 120,000 Japanese-Americans interned during World War II urged Thursday that the federal government pay each survivor of the U.S. relocation camps at least \$25,000 to compensate for property losses and "false imprisonment."

Bert Nakano, speaking for the National Coalition for Redress and Reparation, told the Commission on Wartime Relocation and Internment of Civilians that more than one-third of those incarcerated are now between 55 and 65 years old. Any compensation awarded by the commission must be approved by Congress.

Another witness, Sen. Henry M. Jackson, Democrat of Washington, said that while the mass internment "was a tragic failure of American democracy" he opposes any sort of compensation for the victims and their descendants. "I question seriously whether you can provide for monetary settlement for a problem that goes beyond that kind of solution," he said.

### Soviet Lead in Warship Production Reported

**LONDON** — Western navies are barely replacing and modernizing their warships while the Soviet Union is carrying out a dramatic naval expansion program, the authoritative book Jane's Fighting Ships said Thursday.

The only major warship ordered for Britain's Royal Navy since May 1979, was one nuclear submarine, while the Russians in 1980 alone completed 40 new vessels. Eighteen ships and submarines were delivered to the U.S. Navy last year.

In a foreword to the 1981-82 edition, Jane's editor Capt. John Moore, a former deputy chief of British naval intelligence, said there has been "a dramatic expansion in the numbers of large and highly capable Soviet warships, faced by the NATO navies which are barely keeping abreast of the need for replacement and modernization."

### Joergensen Favors Talks on Nuclear-Free Zone

**BONN** — Danish Premier Anker Joergensen said Thursday that talks with the Soviet Union on setting up an extended nuclear-free zone in Northern Europe could begin if Moscow fleshed out its ideas on the subject.

Speaking after a two-day meeting of the Socialist International in Bonn, he said that Denmark had asked Moscow to express in more concrete terms recent statements by Soviet President Leonid I. Brezhnev.

Mr. Joergensen said that West German Chancellor Helmut Schmidt was skeptical about the possibility of an expansion of the de facto zone — which covers Denmark, Sweden, Norway, Finland and Iceland — and had stressed the need for balance if it were formalized.

### 14 Zia Opponents Seized in Raid on Meeting

**LAHORE**, Pakistan — Police arrested 14 opponents of President Mohammed Zia ul-Haq in a raid on an illegal political meeting, authorities said Thursday.

They said the detainees were members of the central committee of the Movement for the Restoration of Democracy, which has called for Gen. Zia's overthrow. The group was formed in February in defiance of a martial-law ban on political activities and includes supporters of the Pakistan People's Party of the late Prime Minister Zulfik

## White House Objects To Drafts of 4 House Appropriation Bills

By Helen Dewar  
*Washington Post Service*

O'Neill Jr. said he will keep the House in session until Aug. 7, a week past its scheduled summer vacation, if that is necessary to complete the tax and budget bills.

### Appeal by Reagan

The Senate Finance Committee endorsed Sen. Armstrong's indexing amendment last month and agreed to attaching it to the tax bill in the first. That issue probably will be the first indication whether the Senate will heed Mr. Reagan's appeal not to burden his tax cut package with expensive special-interest amendments.

Sen. Russell Long of Louisiana, senior Democrat on the Finance Committee, adamantly opposes indexing, arguing that it would build inflation into the tax system and make its effect on taxes invisible.

But Finance Committee Chairman Bob Dole, a Kansas Republican, said that indexing tax rates to the inflation rate would "preserve the positive effects of the proposed rate reductions by ensuring that inflation will not continue to push people into higher brackets."

Majority Leader Howard Baker of Tennessee wants the Senate to take a final vote on the tax bill by this weekend. Democratic leader Robert Byrd of West Virginia said he doubts that timetable will be met, but he conceded that Mr. Reagan would win in the Senate.

Democrats think the administration was reaching. There was enough consternation on the Republican side to prompt Mr. Stockman to meet Wednesday with Republican members of the appropriations panel to explain his case. Sources within the administration consider the alleged defects serious enough to warrant a possible presidential veto.

All but the interior bill fall within congressional budget targets. But the administration contends that spending is skewed in such a way as to lead to cost overruns for the future, as well as significant policy departures from Mr. Reagan's budget. Democrats contend that the administration is complaining about how money is spent even in cases when its own budget targets are met.

### Illustrative Interior Bill

The interior bill is illustrative of the dispute. The committee reduced proposed funding for the Strategic Petroleum Reserve, reflecting lower oil prices. The administration objects that the committee then used the money to help restore funds for programs that Mr. Reagan targeted for cuts, contending that the money should simply not be spent.

According to an Office of Management and Budget document, the additions include \$106 million for park acquisition, \$78 million for energy conservation, \$42 million for Indian programs, \$129 million for arts and humanities endowments and \$20 million for the Youth Conservation Corps.

The interior bill exceeds budget targets only because the oil reserve is counted. If it is simply not counted for budget purposes, as both the House and Senate have voted to do, the money bill would be well within the general budget target — although it conflicts in details with Mr. Reagan's budget.

As for the Housing and Urban Development bill, the administration complains that the committee has used \$1.1 billion in paper savings from housing bonds to spread over a variety of programs including the National Consumer Cooperative Bank which Mr. Reagan wants to kill.

### Tax Cut in Senate Test

WASHINGTON (UPI) — President Reagan's 33-month, 25-percent across-the-board tax cut package was to face its first test on the Senate floor Thursday over an attempt to tie tax rates to inflation. Some Democrats contend that such a method, called indexing, would build inflation permanently into the tax system.

The Senate debated the issue Wednesday, but agreed not to vote until Thursday on the motion by Sen. William Armstrong, Republican of Colorado.

Meanwhile, the House Ways and Means Committee planned to work overtime if necessary to complete action on a Democratic alternative that would cut individual taxes 15 percent over 21 months, focusing most of the relief on people earning between \$15,000 and \$30,000 annually.

On Wednesday, the House committee approved a Democratic plan to lower estate and gift tax rates from 70 percent to 50 percent, exempt estates valued at less than \$600,000 instead of the current cutoff of \$175,625 and let a surviving spouse exempt all inherited property instead of just 50 percent, as it is now.

House Speaker Thomas P.

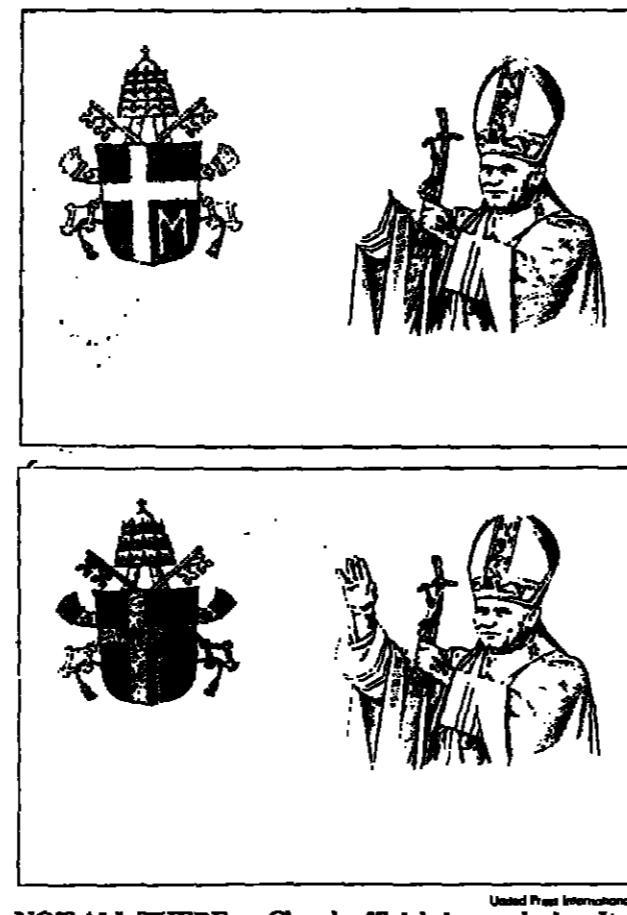
## Managua Agrees To Resignations Of 2 Sandinistas

*Reuters*

MANAGUA — The Nicaraguan government has accepted the resignations of two leading Sandinistas who left the country last week saying they would fight alongside leftist guerrillas elsewhere in Central America.

The Sandinista government said the two men, Eden Pastora, the defense deputy minister also known as Commander Zero, and Jose Valdivia, interior deputy minister, had been relieved of their ranks as army commanders.

The two Sandinistas and about 20 companions were last reported in Panama, but their ultimate destination was believed to be either El Salvador or Guatemala where leftist guerrillas are attempting to topple army-backed governments.



NOT ALL THERE — Church officials have asked an Italian firm to explain why about 10 percent of the 120,000 postcards it printed for the Vatican showed Pope John Paul II without his right hand. The correct postcard is shown at bottom. The mistake went unnoticed at first, and the Vatican post office began selling the cards to tourists.

## Another Ruling Against Casey Disclosed; Reagan Affirms Support of CIA Director

By Michael J. Sniffen  
*The Associated Press*

WASHINGTON — Another federal court ruling critical of CIA Director William J. Casey's financial dealings says that he and other directors drove a farming corporation that later failed deep into debt by managing it in a pattern of self-interest.

On Wednesday, President Reagan, Vice President Bush and White House counselor Edwin Meese 3d all affirmed support for Mr. Casey and discounted a May

19 New York federal court ruling against the CIA director. The affirmations of support were made before reports about a year-old federal appellate ruling from New Orleans surfaced. Mr. Reagan told reporters Wednesday: "There is no controversy. I have complete trust in him." Mr. Bush was asked if Mr. Casey should resign. He replied, "Oh, no!"

Larry Speakes, the deputy White House press secretary, acknowledged that Mr. Reagan first learned of the New York ruling by reading press reports Tuesday.

Both judicial rulings involved civil action bringing into question Mr. Casey's role in Multilponics, a New Orleans farming venture that failed.

In the New York case, a judge ruled that Mr. Casey and other directors had knowingly misled financial investors in 1968. In the New Orleans case, Mr. Casey and the other directors lost a bid to claim part of the firm's assets. That ruling was sought by a court-appointed lawyer for the firm's trustee and was upheld July 16, 1980, by a unanimous three-judge panel of the 5th U.S. Circuit Court of Appeals.

Mr. Casey's attorney in New York, Milton Gould, said the CIA director, a self-made millionaire, lost \$150,000 in the venture. And Mr. Gould noted that damage claims against Mr. Casey and other directors had been dismissed in the New Orleans case. Mr. Gould said, "We have very substantial defenses to this action. Casey says he relied on the advice of a reputable investment firm, Glore, Forgan, and a reputable accounting firm, Haskins and Sells. He denies any misconduct."

Meanwhile, the Moral Majority

disputed press accounts indicating that the group is backing away from its early position of calling Mrs. O'Connor's nomination a "mistake."

Sen. Mathias, who met with Mrs. O'Connor for one hour, said they discussed a "wide variety" of issues, including civil rights, the rights of criminal defendants, court jurisdiction, rules of evidence and "the whole range of matters in which justices of the Supreme Court are involved."

But he indicated that the discussion was general. "We were in total agreement that the personal views of judges were not as important as the fact that the judges apply the law.... She made it clear she would apply the law," he said.

The two New senators, Republicans Roger W. Jepsen and Charles E. Grassley, both staunch anti-abortionists, said they remained uncommitted on how to vote on her nomination after chatting with her on Wednesday.

After two days of politicking on Capitol Hill by the Arizona judge, her views on the one issue that has stirred controversy about her nomination remained unknown Wednesday, except for her comment the previous day that she is personally opposed to abortion. Mrs. O'Connor told those who asked for more details that she felt it inappropriate to comment on any specific court decisions.

Her responses on all substantive issues were vague. She told Sen. Charles McC. Mathias, a Maryland Republican who is a member of the Judiciary Committee, that the Constitution was a "wonderful document."

She discussed camping in the Grand Tetons with Sen. Alan K. Simpson, Republican of Wyoming. And she remained tight-lipped with reporters, even when trapped for a moment with

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## The Ideal Intermediary

The announcement by Northern Ireland Secretary Humphrey Atkins that the International Committee of the Red Cross will try to mediate an end to the hunger strike in the Maze prison is the most optimistic development in that situation since Irish nationalists began fasting more than four months ago. It is not only the involvement of the Red Cross that is encouraging, but the fanfare provided by Mr. Atkins and the fact that an official of the Northern Ireland office was immediately sent to the prison to tell the IRA men about the British government's decision. It suggests that London may have softened its opposition to negotiating under the pressure of the continuing strike.

The failure of a previous mediation effort by an Irish church group should not be seen as a bad omen. There is a sense, this time, that the British government is responding to an increasing demand for a resolution to the situation that will avoid additional deaths without granting political status to the prisoners. The government has been widely blamed for the breakdown of the earlier at-

tempt to end the hunger strike and it seems to be making a special effort now to show good will. If the prisoners just stick to their demands for a change in conditions and do not raise the political question again, chances are good that a settlement can be achieved.

The Red Cross, as a neutral, nongovernmental agency identified with administering to the needy regardless of their political affiliations, is an ideal intermediary for this mission. The president of the United States, on the other hand, who was invited to intervene by the Republic of Ireland, would be a poor choice on all counts. He is both political and governmental, and therefore, cannot be neutral. President Reagan quickly displayed good judgement by rejecting a recommendation of the Irish Republic that he lend his good offices to help put an end to the latest Ulster crisis. The U.S. statement that the crisis is internal and has to be resolved by the parties is correct. The Red Cross, though, should be an acceptable arbiter to both sides.

INTERNATIONAL HERALD TRIBUNE

## Cambodia: Still a Sideshow

Cambodia remains a victim state. To Americans during the Vietnam War, it was an inconvenient sanctuary for the Viet Cong, a target to be bombed and invaded. Thus weakened, it then became a laboratory for the crackpot experiments of a Chinese-backed zealot, Pol Pot. He in turn was overthrown in 1979 by the Soviet-backed Vietnamese moving imperially to visit fresh sorrows on that trampled land.

Vietnam's crimes in Cambodia are real, and deserve the denunciations of a special United Nations conference this week. But the accusers pass too quickly over the crimes of Pol Pot, whose regime may have caused the deaths of 3 million Cambodians. He is "our" monster in this propaganda battle and his representative speaks for Cambodia at the United Nations, thanks to an unholy understanding between the United States and China.

For all the parties Cambodia is still a sideshow, a poignant testament to the corruptions of geopolitics. No remedy will flow from this UN meeting, which Moscow and Hanoi are boycotting. Vietnam obviously values control over Cambodia more than it

does the end of isolation in South Asia. And it values Soviet support — in Cambodia and against China — more than the vague promise of normal relations with the United States.

But that promise needs to be kept alive, as New Zealand has urged. The Indochina tangle can be untied only by focusing on real interests. If Vietnam insists on dominating Cambodia at all costs, there may be no way to expel its 200,000 troops without superior force. But Hanoi's occupation is costly and may be negotiable if something other than a Chinese puppet regime can be created in Cambodia.

That would require wider security arrangements than have thus far been discussed. They may appear out of reach at the moment, but South Asia has witnessed other dramatic realignments in recent years. Beyond denouncing the Vietnamese and their Soviet sponsors, the U.S. purpose in Cambodia should be to keep seeking a formula that for once turns geopolitics to Cambodians' benefit.

THE NEW YORK TIMES

## The Japanese-Americans

A Japanese-American named Fred Korematsu, after being rejected by the Army because of an ulcer, volunteered after Pearl Harbor to serve his country as a welder in a war plant. Instead, he and 120,000 other Japanese-Americans and Japanese resident aliens on the West Coast were driven from their homes and forced under military supervision into distant "relocation" camps, where the majority lived out the war.

The would-be welder sued, but the Supreme Court upheld the military in 1944 in *Korematsu vs. U.S.*, although dissenting Justice Robert H. Jackson described Korematsu's "crime" as solely the act of "being present in the state whereof he is a citizen, near the place where he was born, and where he lived all his life." Today, we recall the locations of the major internment camps used — Manzanar, Tule Lake, Minidoka, Topaz, Gila River, Poston, Heart Mountain, Granada, Jerome and Rohwer — only as desolate monuments to a lingering sense of shame in the United States.

On Tuesday, a federal commission began its hearings into the Japanese-American internment experience, the worst instance in modern U.S. history of an entire group being stripped overnight of its civil liberties as a result of calculated government policies. The Commission on Wartime Relocation and Internment of Civilians, created by Congress last year, must determine (first) how and why the actions of military and political leaders, both in Washington and on the West Coast, caused the uprooting of the entire Japanese-American community when even the attorney general and the FBI director did not consider most internees a national security threat. Next, the commission has the difficult task of determining what financial compensation, if any, should be recommended for those who suffered internment. But its members recognize also that they must consider what steps might be taken to ensure that — in some future national emergency — another whole group of Americans do not find themselves in collective jeopardy because of their race, ethnic background or national origins.

At the time, the much larger "enemy" communities of German-Americans and Italian-Americans largely escaped harassment, while the Japanese-Americans — clustered on the West Coast — bore the brunt of their fearful neighbors' post-Pearl Harbor mixture of racial antagonism, economic envy and genuine hysteria over a possible Japanese invasion.

THE WASHINGTON POST.

## In the International Edition

### Seventy-Five Years Ago

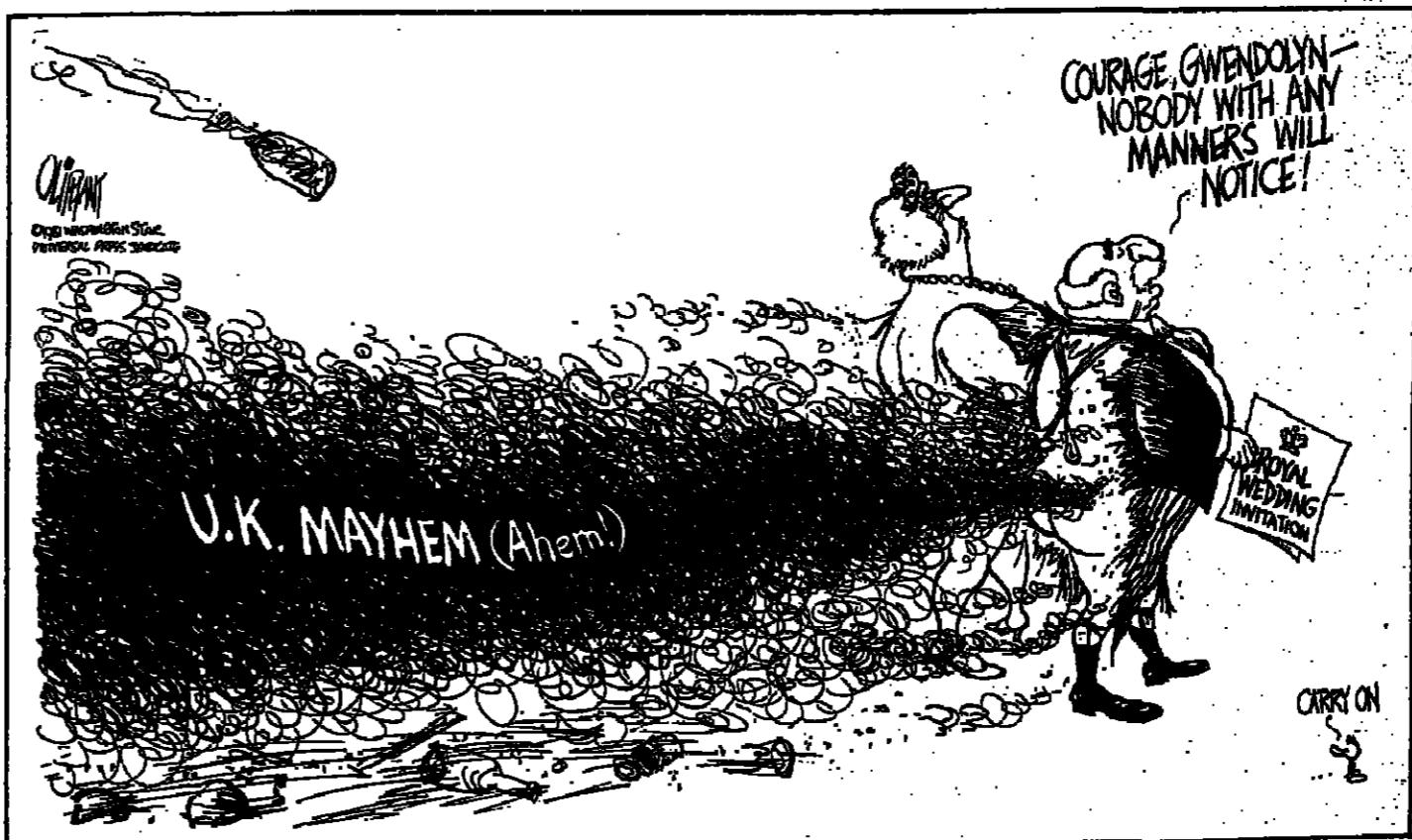
July 17, 1906

NEW YORK — A recipe for the "routine" necessary to become a centenarian was prescribed yesterday by one successful practitioner, Mr. Joseph Zeitlin. "Drink plenty of good beer, wine and whiskey. Don't think too much. Smoke all you want to and never worry. Do everything regularly and never in excess. Play with children one hour a day." Faithful observance of the rules is the reason Mr. Zeitlin, who yesterday celebrated his 101st birthday, gives for his long life. He lives with a daughter at 131 Lexington Avenue, Brooklyn. In celebration of his birthday, he smoked a few extra cigarettes, but did not otherwise deviate from the "routine" of life.

### Fifty Years Ago

July 17, 1931

BUDAPEST — Their last drop of gasoline gone, Capt. George Endres and Capt. Alexander Magyar, Hungarian transatlantic fliers, were forced down at 7:15 p.m. today at Bicske, 18 miles from Budapest, their goal. Their failure to reach their native city on the Danube in no way detracted from the glory that all Hungary is showering on her two latest national heroes this evening. Economic and political troubles were forgotten today as the entire country thrived at the magnificent performance of Endres and Magyar, not only qualifying as the first Hungarians to span the Atlantic, but in smashing the record set by Post and Gatty for an Atlantic crossing.



## Russians in Africa: A History of Failure

By Jonathan Power

MOSCOW — A Soviet general recently justified the presence of Soviet and Cuban troops in Ethiopia with a surprising observation: "We have had close connections with Ethiopia for a hundred years. In the czarist time there were important links between their church and ours. Their students used to come here to study theology."

He could also have noted how, at the time of the building of the Suez Canal, the czarist government considered encouraging Ethiopia to expand its borders to the Red Sea. Relations between the two countries would be cemented by inviting the Ethiopian Church to fuse its apostolic succession with the Russian Orthodox.

It is often overlooked in the West just how hard the czars tried — and failed — to get a foothold in Africa at the time of the "great scramble." They were crowded out by the British, French, Germans, Portuguese and Italians. For a great power this was humiliating and threatens now to be rectified by the superpower age.

Certainly since the age of nuclear parity, which more or less coincided with developments in Soviet airlift capacity, the Russians have become increasingly daring in Africa, aware that Western mistakes often give them easy openings.

### Debate on Detente

Their most spectacular effort was in Angola — spectacular in the sense that it put Communist troops in direct confrontation with black Africa's worst enemy, the South Africans, and spectacular also in that it threw into sharp relief a debate that still runs — does detente in Europe mean a free hand for Soviet efforts in the Third World?

But Moscow only moved its piece on the board after the South Africans moved theirs. South African troops moved into Angola to help Jonas Savimbi's side in the civil war in June, 1975. The Cuban combat troops were only committed to the side of Agostinho Neto in September. (It is still a matter of dispute whether Soviet arms arriving in substantial proportions in March were the trigger for U.S. covert military involvement in July or the U.S. decision to give \$300,000 in covert funds in January was the trigger for the Soviet arms aid.)

The Soviet effort in Ethiopia has been far less politically rewarding.

With Soviet and Cuban help the Somalis regular army has been driven out of the Ogaden, the Ethiopian-owned but Somali-claimed province, and that has given the Russians some kudos in Africa.

Since again the United States appeared to be supporting a territorial aggressor, but the real running sore for Ethiopia is the war in Eritrea, and the internal practices of the Mengistu regime. The Eritrean war and other secession movements, although relatively quiet at the moment, could tie down the troops and finances of the central government for years.

### Poverty Inherited

The Arabs will keep the rebels well enough supplied to make sure they hold their own. Col. Mengistu Haile Mariam offers the Russians nothing. It is a cruel regime, with little respect in Africa. (The Russians have a knack of supporting barbarism — Idi Amin in Uganda and Macias Nguema in Equatorial Guinea.)

The only inheritance is some of the sharpest poverty in Africa. Strategically, Ethiopia is moderately valuable. But if military gain was the real Soviet purpose the Russians should have made the decision to stay on Somalia's side in the early days of the Ogaden dispute. Then, at least, they would still have their base at Berbera, more useful than the Ethiopian port on the Dahlak islands in the Red Sea.

The Ethiopian effort, in fact, is more typical of Russian performance in Africa than the Angolan adventure. Whether one looks at Egypt, the Sudan, Congo-Brazzaville, Guinea, Mali or Ghana, the

outcome has an unfortunate consistency. A honeymoon period when the Africans appeared to welcome the Russians as a respite from the influence of the colonial power has been followed invariably by cynicism, alienation and eventual rejection as the host country found Russian diplomats interfering, their trade deals exploitative, their economic aid limited and uneven in quality, and their guns expensive.

For all this, there are situations where many African countries feel, for want of an alternative, they might need Soviet support. The most obvious is in southern Africa. Here the answer is for the West to make more of the running in the buildup of international pressure for change.

More complicated is what to do about the Libyans. Libya, with its enormous Soviet-supplied arsenal, is not a Soviet puppet. Nevertheless, without the complicity of Moscow, it would not be able to perform as it does.

Fortunately, the Organization of African Unity summit last month offered two important proposals that, if implemented, should do much to undermine Libya's influence — an OAU force in Chad and a UN peacekeeping force in the Western Sahara. The West should strongly support these initiatives.

It is, in fact, not too difficult to do this. The cardinal rule is to understand that, deep down, whatever dictators come and go, Africans are becoming increasingly concerned about three main things: territorial integrity, economic progress and human rights.

In the 19th century, the Russians were squeezed out of Africa by fairly unsavory methods. These days, they can be kept at bay if the Western nations are unambiguously committed to helping independent African nations achieve these three ideals.

In a broadcast earlier this year, Anatoli Gromyko, son of the foreign minister and director of Moscow's Africa Institute, observed "about 97 percent of Africa belongs to the world's capitalist economy." That's a reasonably accurate observation. It is a confession of how profound is the division of Soviet policy in Africa.

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# Few Refugees Willing to Accept Permanent Residence in Japan

By Henry Kamm

New York Times Service  
KONAGAI, Japan — Until two years ago, freighters that picked up Vietnamese refugees at sea had to provide a formal guarantee of resettlement in another country before Japan would grant their passengers temporary shelter here, and no Indochinese refugees was admitted for permanent residence.

Japan's contribution for the care and feeding of refugees amounted to \$12 million from 1975 through 1978. Stung by international criticism, Japan increased its financial aid in 1979, when its contribution to the UN High Commissioner for Refugees and its relief of starving Cambodians leaped to \$50 million for that year. It climbed to \$100 million for the last budget year.

"Our initial attitude toward In-

dochinese refugees was totally unsatisfactory," said Koji Watanabe, deputy director of the Foreign Ministry's Asian Affairs Bureau. "It took us three to four years to understand the importance of the problem and decide to handle it in a positive way," said Yukio Amano, deputy director of the ministry's Refugee Affairs Division. "We had no experience in accepting refugees and took a defensive attitude."

Now, the defensive attitude is taken by Vietnamese, who are grateful for the asylum that Japan has decided to grant to them but do not want to remain members of the Japanese offer of a permanent home.

The offer is extended to all refugees who are in good health and willing to accept one of the many jobs that are available in this country, where unemployment is high.

Vietnamese, like other Asians, are even more conscious of the unusual cohesiveness of Japanese society than are Western residents here, and they fear that they would not fit in. "The mesh of Japanese social structure is so minute it is very difficult to absorb an alien element," said Mr. Watanabe.

"There is acceptance of refugees in principle by the Japanese," he said, "but when it comes to their own community I have to admit there is still resistance."

"It is very hard to take part in Japanese society," said a Saigon University graduate at a refugee camp here. "In the Japanese language it is hard for us to improve our education. Here we can only work. But besides working and improving our living, we have to improve our knowledge, so that when our country is free again we can go back to rebuild it."

Like the 127 other refugees in a Franciscan convent here near the northern city of Nagasaki, the 31-year-old air force veteran asked that his name be withheld to protect close relatives still in Vietnam.

The bulk of the refugees here are fishermen and farmers from central Vietnam. Altogether, 1,621 Vietnamese are waiting in 24 camps run by religious groups and the Japanese Red Cross under UN auspices. Almost to a man, woman or child, according to Japanese and international officials, they want to go to the United States.

For some, the motivation is familiarity with the language; for many, the presence of relatives; at least a sizable Vietnamese community; and for almost all it is a belief that integration into Japanese society is too difficult.

"The refugees don't want to come to Japan very much," said Mr. Amano. "They don't like it, but they don't have it in mind."

The result is that the quota of 3,000 refugees that Japan is ready to admit permanently goes begging for the most part. Although Yukio Imagawa, director of the refugee division, said that Japan was ready to increase the quota if the demand were there, this willingness is likely to go untested.

## Refugee Resettlement Sought

SINGAPORE (Reuters) — The officers of a West German ship with 395 Vietnamese on board said Thursday they were determined to have the refugees resettled in West Germany.

The 5,300-ton Cap Atanum, operated by a private humanitarian organization, docked here after a one-month voyage in the South China Sea to save refugees fleeing Vietnam in small fishing craft. Wolfgang Beyer, the chief officer, said the Philippines would accept the refugees for temporary asylum if the West German government undertook to find them permanent homes within three months.

Mr. Beyer was assured of becoming prime minister last month when he was elected to lead the United Malays National Organization, the dominant political party in the National Front coalition. But his rise to power was marred Monday by the arrest of his political secretary as an alleged Soviet KGB agent. Three Soviet diplomats allegedly involved in recruiting the secretary, Siddiq Bin Mohamad Ghousi, were expelled from the country.

Mr. Mahathir said little damage had been done because the side had been used to gather political intelligence rather than security information. He said he had been aware of Mr. Siddiq's contacts with Soviet agents but had kept him on to allow police to gather evidence against him and the Soviet diplomats.

The affair does not appear to have damaged Mr. Mahathir politically despite extensive press coverage.

John Topping Wheelock  
WASHINGTON (WP) — John Topping Wheelock, 56, a retired U.S. Foreign Service officer who specialized in Arabic and Near Eastern affairs, died Monday of injuries received in a car crash.

Mr. Wheelock's foreign assignments included France, Switzerland, New Caledonia and Syria. In 1973, he became chargé d'affaires and principal officer of the new U.S. Embassy in Doha, Qatar. He returned to the United States in the mid-1970s and served in the U.S. delegation to the United Nations.

Cecil Alexander Scott

CHAPPAQUA, N.Y. — Cecil Alexander Scott, 79, a former editor in chief of Macmillan Co., died Friday. He edited James Michener's "Tales of the South Pacific," and Barbara Tuchman's "The Guns of August," both Pulitzer Prize winners.

\$19,000 for Eskimo Carving

TORONTO — A whalebone carving by artist Karo Ashevak sold for \$19,000, a record for an Inuit work of art, Sotheby Parke-Bernet announced Thursday. The carving, of a dancer with a drum, was purchased by a Vancouver collector. Inuits are Eskimo Indians of northern Canada.

## ASEAN's Staying Power Shown at UN Conference

By Don Shannon

United Nations, N.Y. — "We're the new majority," Philippine Foreign Minister Carlos P. Romulo declared at the Association of Southeast Asian Nations, which sponsored this week's United Nations conference on Cambodia.

The Western press said we wouldn't last long," Mr. Romulo said of the initial ASEAN conference — in Bangkok in August, 1967 — when the Philippines joined with Indonesia, Singapore, Malaysia and Thailand in an attempt to unify Southeast Asia.

The Filipino minister, 82, the only founder of the five-year organization still active in diplomacy, recalled that "they said we were going to fall like dominoes, but it was the other side that fell like dominoes. Why? Because we maintained ourselves as the backbone of the private enterprise system and the free way of life."

### Whining Friends

ASEAN, unlike the old U.S.-sponsored Southeast Asian Treaty Organization (SEATO), was organized specifically as a nonmilitary alliance. As such, it was able to attract the early support of Japan as a silent partner — an important element in the group's later success.

"At first, the United States was lukewarm about the prospects of ASEAN as a regional organization of non-Communist nations in Southeast Asia. But when SEATO collapsed after the withdrawal of U.S. forces from Indochina in 1975, Mr. Romulo said, Washington took a milder attitude."

"This year we had our 14th ministerial meeting and we had all five partners in Manila and we had Secretary Haig there," Mr. Romulo said, referring to Secretary of State Alexander M. Haig Jr.'s recent Asian trip. "I must say he won many friends in ASEAN."

If the new group is now courted by outside powers, it is largely because of its stubborn diplomatic offensive against the Vietnamese occupation of Cambodia. The group first took a tough stand on the issue at the 1979 summit conference of the nonaligned nations in Havana. The pro-Soviet Cuban hosts, however, blocked ASEAN efforts to condemn the intervention.

"Two months later, here at the United Nations, the nonaligned nations voted overwhelmingly to condemn the Soviet Union for the invasion of Afghanistan and then — reversing their commitment in Havana — they voted to condemn



Carlos P. Romulo

Vietnam for the invasion of Kampuchea [Cambodia]. What does that show? That there is emerging here a new majority."

### Refusing Power Blocs

Mr. Romulo said the early days of the United Nations, of which he was also a charter signer, witnessed an "automatic majority" created by the Western powers and their allies. Then, he said the world body was dominated by what former U.S. Ambassador John Scali called "the tyranny of the majority," a Third World bloc dominated by the Soviet Union and its allies.

Mr. Romulo said he believes ASEAN has now shown small nations they can speak up for their own interests, rather than those of power blocs.

Most UN diplomats give credit for much of the group's sway at the conference here to the energy of Tommy Thong Bee Koh, Singapore's ambassador at the United Nations. A 43-year-old lawyer educated at Harvard and Cambridge, Mr. Koh took up the fight against Vietnam after its intervention in Cambodia.

He and fellow ASEAN diplomats enlisted widespread support to keep the defeated Pol Pot regime in Cambodia's seat at the 1979 UN General Assembly. ASEAN has never defended the Pol Pot regime, but has insisted that Vietnam not profit them aggression.

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## Former Deputy Becomes Malaysian Prime Minister

United Press International

KUALA LUMPUR — Mahathir bin Mohamad took the oath of office Thursday as Malaysia's prime minister.

Mr. Mahathir, a 55-year-old physician was sworn in by King Ahmad Shah to succeed Dato' Hussein bin Omm, who announced his resignation in May because of a heart condition. Mr. Mahathir, who had served as deputy prime minister since 1976, is Malaysia's fourth prime minister since its establishment in 1963.

The change in leadership is not expected to alter the country's nonaligned but generally pro-Western policies or its commitment to the Association of Southeast Asian Nations.

In an interview this week, Mr. Mahathir said he would like to see U.S. military forces remain in the

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## Isaac Soyer, 79, Realist Painter, Is Dead in U.S.

New York Times Service

NEW YORK — Isaac Soyer, 79, realist painter of the American scene, has died of a heart attack.

Mr. Soyer, who died July 8, was one of three brothers — the other two were the twins Raphael and the late Moses — who became leading exponents of the Realist school in New York, staying with it while Abstractionism became dominant.

Among Isaac Soyer's principal works are "Employment Agency," which is in the Whitney Museum of American Art in New York, and "The Art Beauty Shop," in the Dallas Museum of Fine Arts.

John Topping Wheelock

WASHINGTON (WP) — John Topping Wheelock, 56, a retired U.S. Foreign Service officer who specialized in Arabic and Near Eastern affairs, died Monday of injuries received in a car crash.

Mr. Wheelock's foreign assignments included France, Switzerland, New Caledonia and Syria. In 1973, he became chargé d'affaires and principal officer of the new U.S. Embassy in Doha, Qatar. He returned to the United States in the mid-1970s and served in the U.S. delegation to the United Nations.

Cecil Alexander Scott

CHAPPAQUA, N.Y. — Cecil Alexander Scott, 79, a former editor in chief of Macmillan Co., died Friday. He edited James Michener's "Tales of the South Pacific," and Barbara Tuchman's "The Guns of August," both Pulitzer Prize winners.

\$19,000 for Eskimo Carving

TORONTO — A whalebone carving by artist Karo Ashevak sold for \$19,000, a record for an Inuit work of art, Sotheby Parke-Bernet announced Thursday. The carving, of a dancer with a drum, was purchased by a Vancouver collector. Inuits are Eskimo Indians of northern Canada.

## Life and Death Issue

By Elaine Davenport  
International Herald Tribune

LONDON — After a delay of more than a year, England's voluntary euthanasia society, Exit, has published its controversial guide on how to commit suicide.

The booklet, "A Guide to Self-Deliverance," is sold for \$6 (about \$11) to people over age 25 who have been Exit members for at least three months. "We know a large number of people joined just to get the guide," acknowledged Nicholas Reed, Exit's general secretary. He noted that membership has risen from 2,000 in 1979, when the idea was suggested, to about 10,000 now.

More than 500 members — most of them elderly and about 80 percent of them women — have received their copies. The booklet, which goes into great detail on how to commit suicide, was long held back because of disputes about whether it would encourage suicide.

Derek, 34, and another Exit member, Mark Lyons, have been committed for trial on charges related to their activities with Exit. Lyons, 70, who is being held in Brixton prison, faces one charge of murder and eight charges of aiding and abetting suicide. Reed, who is out on bail, faces two charges of aiding and abetting suicide and three of conspiracy to aid and abet, a charge without precedent in Britain. The trial is expected this fall.

Another Exit member, Dr. Gordon Scott, a retired physician, had sued for an injunction against the booklet's publication, but in May he withdrew the injunction after Exit promised to pay his legal costs.

One fear about the Exit booklet is that copies will fall into the hands of impulsive would-be suicides. To guard against this, members are asked not to share the booklet with others and to return or destroy it if they decide to kill themselves.

Exit right-to-die group recently published a booklet of detailed suicide instructions that is circulated to doctors in the Netherlands.

A society in West Germany is debating whether to reprint a chapter of a 1965 book on suicide that gives details on how to kill oneself. The chapter includes stark descriptions of different forms of drug overdose, poisoning and gassing, including the use of car exhaust fumes; how best to use alcohol and chloroform; and instructions for shooting or hanging oneself, slashing one's wrists or injecting air into one's body.

Some of the methods in the German book are really rather horrifying," said Reed. "One of the intentions of our booklet was to suggest methods that would not be appallingly traumatic for survivors and which would be reasonably peaceful. And one section gives seven reasons for not attempting suicide.

Exit sees its booklet as an interim measure, Reed said. He said the group's aim is to change the law on euthanasia and "allow doctors to give it at the request of the patient."

Suicide is legal in England, but assisting or advising suicide is not. Because Exit has not succeeded in changing the law — and "it seems very unlikely that we will get

## Euthanasia Society Issues Long-Delayed Guide on Suicide

By Elaine Davenport  
International Herald Tribune

The delay in issuing the Exit booklet has allowed similar groups around the world to publish their own versions.

The first was Scottish Exit, it separated from the London-based group in order to publish "How To Die With Dignity," which came out last September.

The California euthanasia group Hemlock published its own booklet in early June. The head of Hemlock is Derek Humphrey, an English journalist now living in California who in 1978 wrote "Jean's Way," an account of his aiding the death of his terminally ill wife.

A Dutch right-to-die group recently published a booklet of detailed suicide instructions that is circulated to doctors in the Netherlands.

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Suicide is legal in England, but assisting or advising suicide is not. Because Exit has not succeeded in changing the law — and "it seems very unlikely that we will get

anywhere," said Reed — the booklet was seen as "the best alternative."

And the issue is being aired, which Reed believes is crucial to the group's campaign. "Our booklet has got the London-based group to publish "How To Die With Dignity," which came out last September.

The California euthanasia group Hemlock published its own booklet in early June. The head of Hemlock is Derek Humphrey, an English journalist now living in California who in 1978 wrote "Jean's Way," an account of his aiding the death of his terminally ill wife," he said.

Reporters have converged on Reed's basement office just off Kensington High Street. Some of the publicity is sympathetic, but some accuses Exit and Reed of being death like soap.

In contrast is the wide acceptance of the hospice movement, which uses pain control to ease terminal illness.

"Hospices are probably more skilled than any other medical establishment at dealing with pain control," Reed conceded. "But it's misleading to claim that they have found the answer to the painful terminal illness."

Dame Cicely, in an interview earlier this year, dismissed Exit and similar groups: "I don't think that is the answer. I've often quoted an old lady who wrote an article in the London Times saying human nature is what it euthanasia wouldn't be voluntary for long."

Reed argues that many people would rather die "at their own time in their own home" than in a hospital or hospice, and he said, they ought



# KUWAIT

## INTERNATIONAL Herald Tribune

Published with The New York Times and The Washington Post

PARIS, JULY, 1981

A SPECIAL SUPPLEMENT

Sheikh Jaber al-Ahmed al-Sabah

Chris Katchka

## Flexibility Lets Nation Adapt to Rapid Change

By Ken Whittingham

KUWAIT, a small desert state with an area of about 6,800 square miles and a small but growing population of 1.4 million, sits at the head of the Gulf, a volatile area where any instability can threaten world peace.

Yet economically the government seems to have found the path to stability and progress, while politically the state has no real enemies and a growing list of friends. Long before the oil wells had been drilled, Kuwait learned that the survival of a small nation among larger neighbors depends on skilled diplomacy and determined nonalignment.

This philosophy was followed by Sheikh Muibarak, who ruled the state at the turn of the century and is considered by many to be the founder of the modern state. He carefully played off the British against the Turks at the time of the great colonial drive to control the Gulf, and ended up with British protection against the Turks without the kind of political interference displayed by British political agents elsewhere in the Gulf states.

Eighty years later, the Gulf is vital to the rest of the world as a source of oil, and Kuwait, the third-largest Arab producer after Saudi Arabia and Iraq (when the latter is producing normally), is especially important. But Kuwait leaders do not expect anyone to seize the oil fields by military means, and rather see the future in terms of new forms of cooperation between oil producers and developed and developing countries.

### Gulf Security

The Kuwaitis have long said that Gulf security is purely a matter for the Gulf states themselves. Kuwait is the only state in the Gulf that has full diplomatic relations with the United States and the Soviet Union.

Kuwait is a vital member of the Gulf Cooperation Council. The newly appointed secretary-general of that organization is Abdullah Yacoub Bishara, former Kuwaiti ambassador to the United Nations and one of the most able and respected diplomats in the Gulf.

During a recent Gulf tour, he explained the council's attitude, which reflects the policy of his own government, in an interview with a Saudi newspaper: "Those who believe that the Gulf Cooperation Council was formed to clash with the Red Army are suffering from a complex of imagination, considering the Gulf as part of the Western strategy to defend Western interests. Those who think that the Red Army is the major threat to the Gulf are also suffering from nightmares and delusions."

Kuwait believes that the main threat to the Gulf is Israel and its stand on the Palestinians.

The nation has a vested interest in a solution to the Middle East crisis and the establishment of a Palestinian state, given that it opened its

doors to refugees — about 20 percent of the population of Kuwait is Jordanian/Palestinian. It has benefited from the Palestinian community, which has provided much of the educated cadre in government and the private sector for many years.

At the same time, radical Palestinian factional politics are a permanent threat to peace and stability, as numerous bombing incidents have revealed in recent years. Such incidents — which cannot always be blamed on Palestinian extremists because there are other disruptive elements in Kuwait — are more of an irritant than a true threat to state security, but the government obviously wants to avoid them.

Another recent source of problems for Kuwait's security forces has been the unstable situation in Iran. On a number of occasions, Iranian warplanes have crossed into Kuwaiti airspace during the Iraqi-Iranian conflict, and more than once trucks have been attacked on Kuwait's exit roads. Moreover, Kuwait's firm commitment to Iraq, both politically and as a transit for Iraq-bound cargo, has inevitably alienated Iran.

While these factors are potentially a source

of trouble, there is little evidence that the authorities cannot cope with most threats. The security forces in Kuwait have recently been reviewed and a number of senior officers replaced to increase efficiency. And one important feature of the security forces is that, unlike those of some of the smaller Gulf states, they are manned by Kuwaiti nationals.

Domestically, the traditional government, still largely in the hands of the ruling family, is kept on its toes and sometimes openly criticized by the revived National Assembly and the national press. Kuwait's press is independent of government control, although it receives government support in order to survive. It is renowned for its variety of opinions and its outspokenness on domestic and Arab matters, and it is generally allowed to operate freely.

The high level of political interest and awareness displayed by educated Kuwaitis has no doubt been a powerful spur in the often innovative steps taken in social and economic development. Kuwait has one of the most comprehensive welfare state systems in the world for native Kuwaitis; some but not all

benefits are available to immigrant residents. Kuwaiti citizens, through an active private sector, have also played a full part in the development process, more so than elsewhere in the Gulf, except in Bahrain.

There are also problems. One of the first demands of the new National Assembly was for a 30-percent pay raise for Kuwaitis and 20 percent for non-Kuwaitis to meet the rising cost of living. There were also demands for higher pensions and social security. Such demands led in part to the dissolving of the assembly in 1976.

The government has sought during the last few years to hold down inflation, which is especially difficult in a society that has a high per capita income and is almost totally dependent on imports. Salary levels will almost certainly be increased soon, but the question is to what extent the government can control the

reliance on a large immigrant labor force exacerbates this problem, putting pressure on social services and housing in particular. There is widespread concern about the number of immigrants who stay illegally after the completion of their contracts. Many of the workers are bachelors — the Planning Ministry estimates that there are 174,000 bachelors in Kuwait — creating a social imbalance and a large need for single-occupancy dwellings, which are not widely available.

In the past, however, one of Kuwait's strengths has been its ability to adapt to new situations. While important domestically, this flexibility has also been vital internationally, where tiny Kuwait has in two decades gained prominence, particularly as a friend of developing nations through its aid allocations. Kuwait established its first aid fund in 1961, the first of the oil producers to recycle revenues in this way. Through aid programs and foreign investment in a variety of fields, Kuwait has built a network of economic interaction that inevitably leads to political friendships.

While Kuwait uses its oil revenues for aid and to create political alliances, it has not forgotten that oil wealth will not last forever.

A Reserve Fund for Future Generations was set up in August, 1976. It receives 10 percent of annual state revenue plus the profits from the state's General Reserve Fund. The fund, designed to be of benefit to the generation that misses out on the oil era, is untouchable until the year 2000.

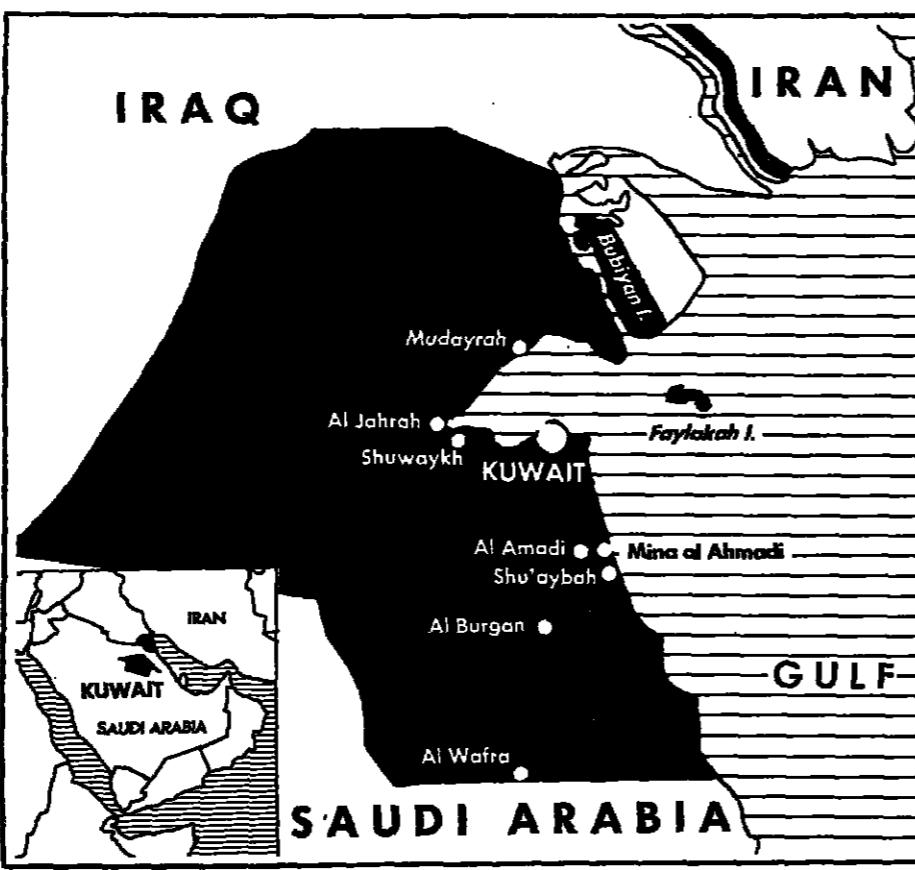
Kuwait's future does not depend on reserve funds or insurance schemes, however, but on whether the state is able to create a wide enough economic base to survive beyond the oil era, and on whether it can develop socially and politically enough to persuade its educated youth to remain at home and work.

There is an even more vital factor in support of giving women greater participation. Since Kuwaitis are a minority of 41 percent in their own country, and half of that number is women, the state cannot ignore the work-force potential of half the population if it is to retain national control over the expanding economy.

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— KEN WHITTINGHAM



## Elected Assembly Is the Only One of Its Kind in Gulf

LAST FEBRUARY, elections were held for the National Assembly, which has taken its place in the nation's political life after an enforced absence of four years. It is the only democratically elected assembly in the Gulf region and has been a nearly constant feature of Kuwait's political system since the late Sheikh Abdullah al-Salem al-Sabah, the ruler from 1950 to 1965, changed the regime from an absolute monarchy to a constitutional system.

In August, 1976, Sheikh Sabah al-Salem al-Sabah decided that it was necessary to suspend the constitution and dissolve the assembly sine die. Following his accession on the last day of 1977, the present ruler, Sheikh Jaber al-Ahmed al-Sabah, promised that the constitution would be reviewed and that democracy would return to Kuwait. That promise has been fulfilled.

The National Assembly is important to the political process in Kuwait for a number of reasons. Since the mid-18th century, when the al-Sabah family achieved prominence in Kuwait, there has been a relatively open form of government, with the ruler's door open for consultation with his people. But the growing sophistication of state affairs has made direct contact between ruler and people more difficult, and the immigrant population, accounting for nearly 60 percent of the total of about 1.4 million, also distorts channels of communication.

Kuwaitis on the whole remain politically aware and deeply concerned about the affairs taking place in their country, especially the growing cadre of intellectuals, whose role is vital to the future of Kuwait. It is thus important to the country that their voice be heard and that they do indeed participate rather than that they be "brain drain" to the West or to other Arab states.

### Popular Concern

Reflecting popular concern in domestic affairs, the National Assembly, since its creation in 1963, has been anything but a rubber stamp for palace decisions. During the early 1970s, when negotiations were under way for the government to buy a 25-percent share in the Kuwait Oil Co., the National Assembly pushed for an immediate 60-percent holding, and was thus instrumental in the rapid achievement of national control of the oil industry in 1976.

When the assembly was dissolved in 1976, it was engaged in a deadlock dispute with the Cabinet over levels of social benefits at a time of rapid inflation. Moreover, a loose Arab nationalist bloc formed among young deputies as early as 1965 was pressing for radical reforms. The combined pressure of a difficult financial situation and an explosion of prices following the major increase in oil revenues added to a turbulent political situation in the Arab world following the civil war in Lebanon.

When the new assembly was elected, most of the best-known radicals from the previous body, like Ahmad al-Khalil, failed to win seats, and there was a feeling among some observers that this would be an assembly without teeth. But the reality is proving to be different.

As the body reviews 59 decrees issued in its absence, there are signs that the government will have a rough passage, especially where social benefits and freedom of speech are concerned. Deputies are particularly worried

about Article 35 introduced into the Press and Publications law, which gives the government the right to suspend or punish papers that it considers to be acting against the national interest. Deputies backed by Kuwait's strident national press are arguing that the clause is against the spirit of the 1963 constitution, which guarantees freedom of the press, although that constitution is itself still under review.

The most important long-term question raised in the first session of the new assembly concerns the political rights of women. Before the elections in February, there were strong hopes in many sectors of Kuwaiti opinion that women would be allowed to stand for election, and at the very least be allowed to vote. In the end, however, only adult males were allowed to enter the electoral register and stand for election, as prescribed in the constitution.

### Women's Rights

Women who seek greater rights and their male supporters argue, however, that the situation is radically different from that of the days when the state was young and oil revenues

were small. According to the provisional results of the 1980 population census, there are now fractionally more women than men in the population. Kuwaiti women represent 20.9 percent of the total population, while Kuwaiti men account for 20.6 percent.

### Gap Has Narrowed

With more than half of Kuwait's native population of about 560,000 under the age of 25, the argument that women do not have the necessary educational background to participate in the democratic process is no longer valid. By 1975, there were 1,224 female graduates against 2,755 men, and the gap has narrowed considerably. Indeed, the Ministry of Education recently announced that in the coming academic year 1,500 female students had been accepted by the technical and vocational training institutes against 1,300 boys. In Kuwait, unlike any other state in the Gulf, women can be found holding positions up to the highest level of seniority in government and private sector enterprises.

A female engineering graduate recently

pointed out in one of Kuwait's leading Arabic newspapers that Kuwaiti men of the 1960s and 1970s who play a leading role in national affairs would not have reached the necessary degree of education without the women who had to bear responsibility for domestic life in the pre-oil days, when the men were away at sea for months.

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— KEN WHITTINGHAM

## TV Is an 'Open Sesame' To Children's Education

IT IS A PHRASE known to children all over the world as the key used by Ali Baba to gain entry to the treasure cave of the Forty Thieves: "Ifrah ya Simsim," or "Open Sesame."

To Arab children nowadays, it has become the key for entry into their very own world of treasures. "Ifrah ya Simsim" is the most popular Arab children's series ever to appear on Arab television, and has become even more of a cult than the American "Sesame Street," on which it is based.

When the ministers of information of six Gulf states — Kuwait, Bahrain, Iraq, Qatar, Saudi Arabia and the United Arab Emirates — held their first meeting in 1974, they called for the creation of a body to produce programs for Gulf television stations. Kuwait, with greater experience in the arts than most of its neighbors, was asked to organize the project, and in 1976 the Arabian Gulf States Joint Program Production Institution was established in Kuwait.

Initially, said Ibrahim al-Yussuf, the director of the institution, the idea was to produce a wide range of programs including variety shows, documentaries and dramas. But in 1976, representatives of the Children's TV Workshop in New York, the creators of "Sesame Street," were touring the Gulf to promote the series in the Arab world. Kuwait and Saudi Arabia responded favorably to the idea, and the project became the first task of the institution.

The Arab Fund in Kuwait agreed to finance the initial research and pilot production. A drama series to be distributed in Octo-

butions, and a contract was signed with CTVW for a period of 30 months to cooperate on producing 130 half-hour episodes of "Ifrah ya Simsim."

CTVW has provided advice on techniques and made available some material from the original "Sesame Street" for incorporation in the Arabic programs. But the Arabic series has been specially written and produced for the needs of 3- to 6-year-old Arab children. Research has been carried out by a team of distinguished Arab education experts under the chairmanship of Dr. Mohammed Javad Radha of Kuwait University. The series provides a unique basis for pre-school education in the Arab world, and introduces the concept that learning can be fun.

Education alongside entertainment has become the philosophy behind the institution's productions. As Mr. al-Yussuf explained, the institution is not a commercial production unit, although it strives to cover costs through sales. A more important objective is to raise the standard of television productions in the Arab world and at the same time provide a locally produced alternative to material brought from the West.

Thus a series being shown in the Gulf states, entitled "Hayanah," or "Our Life," deals with the generation gap in the contemporary Arab world. Thirteen episodes cover such things as first pregnancies, the early days of marriage, difficulties of adolescence and other familiar issues presented within a dramatic context and based on scientific research.

A drama series to be distributed in Octo-

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Given the dominance of television viewing as a leisure activity in the Gulf states, the institution is a vital factor in Gulf cooperation and education, although its influence will extend throughout the Arab world.

One project results from a decision by Gulf health ministers to improve standards of hygiene in the region. The Gulf institution is cooperating with Telepol, European Television Program Office, a subsidiary of Bavarian and Swiss Television, to produce a 52-

program series on health education. Scientific help will be provided by the Gulf States Health Organization based in Riyadh, and all possible television and radio techniques will be used to create a maximum impact through a combination of television programs, radio spots and advertising spots. The project will take two years to complete.

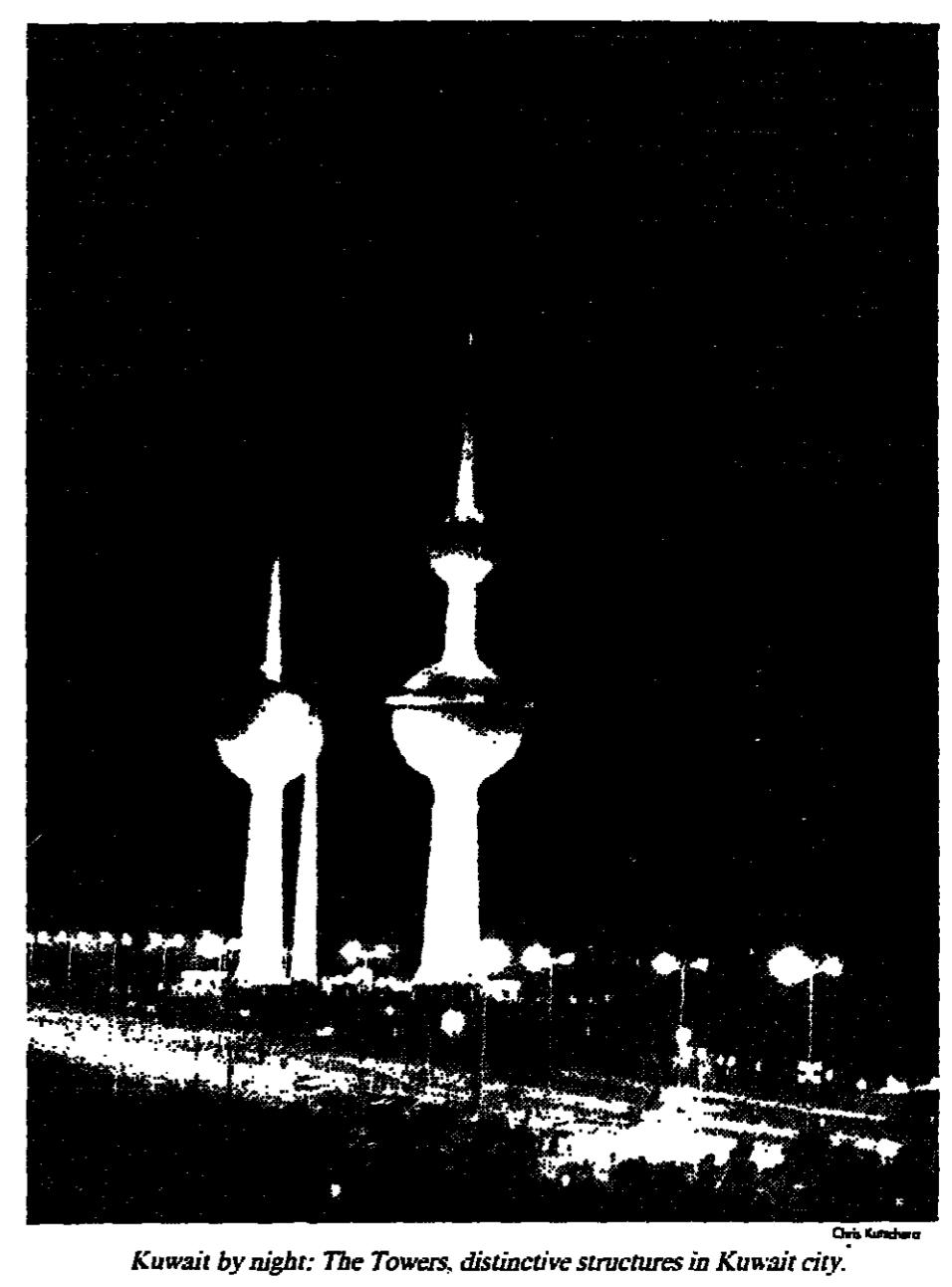
A seven-year project involves the production of 156 episodes in a series on Islamic and Arab civilization and culture, attempting to offer a new approach to the past and present of the Arab world that will attract the ordinary viewer rather than the academic mind. A pilot program on "Islamic and Arab

(Continued on Page 85)

program series on health education. Scientific help will be provided by the Gulf States Health Organization based in Riyadh, and all possible television and radio techniques will be used to create a maximum impact through a combination of television programs, radio spots and advertising spots. The project will take two years to complete.

While it is true that oil produces most of the state revenues, those revenues are consistently in excess of the requirements of the national economy. The new state budget for the year that began on July 1, based on the expectation of continued steep rises in the price of crude oil exports, estimated that revenues will rise to

(Continued on Page 85)



Kuwait by night: The Towers, distinctive structures in Kuwait city.

## Economic Planners Look To a Future Without Oil

KUWAITIS are renowned among the peoples of the Gulf for their hardheaded attitude toward business and their ability to perceive sound economic opportunities long before the competition.

Kuwait, of course, is dependent on oil. Until recent cuts in production brought the daily average output down from more than 2 million barrels a day at the end of 1979 to 1.25 million barrels a day as of April 1, Kuwait was the third-largest producer in the Middle East and the sixth-largest in the world. Last year, oil revenues accounted for 60 percent of the gross domestic product, 80 percent of total government revenue and 90 percent of total exports.

This nearly total dependence on oil has led Kuwait, since it gained full national control of its resources in the mid-1970s, to take a strong line on prices and production within the councils of the Organization of Petroleum Exporting Countries. While the state's decision-makers are aware of the need to maintain stability in the world economy, Kuwait has no intention of throwing away its main resource. Thus, as prices have risen dramatically, Kuwait has felt able to cut production.

The fact that production was not cut much earlier is evidence of Kuwait's sense of responsibility toward the international community, because the vast surplus revenues has created many problems for the nation's planners. But with that characteristic hardheadedness, Kuwait has been the first to find radical solutions to its problems.

### Looking Forward

From the early 1950s, Kuwait, even with the minimal price of oil and the low percentage of royalties it was getting, was looking forward. Development of the infrastructure was the priority, and the Department of Electricity was set up to create a statewide network to end the reliance on privately owned generators. After beginning with one power station in Shuwaykh in 1952 producing 2,250 kilowatts, Kuwait in 1980 had an array of power facilities with a capacity of 2,618 megawatts.

The same rapid

**KUWAIT****Economic Planners Look To a Future Without Oil**

(Continued from Page 7S)

\$18.8 billion. Government expenditure will rise only slightly to \$10.7 billion.

These vast surpluses tend to distort the long-term economic picture for Kuwait, because the viability of alternative sources of income should be viewed against the real economic requirements of the state, not against an economy based on recurrent surpluses. Moreover, the rapid push for development in the last decade and

the constant spiral of oil price increases to match inflation has led to a high level of government spending.

**Staggering Costs**

The staggering costs of turning the desert into a modern city, of creating industries from nothing, even of producing water fit for human consumption, have produced a series of record budgets on capital expenditure. In addition, the lack of local manpower has

meant importing an army of labor, which has to be housed, fed and cared for. This raises dramatically the level of imports of all kinds and makes labor costs in Kuwait possibly the most expensive in the world. Furthermore, Kuwaiti leaders, keen to ensure that the people derive benefit from oil revenues, have created the most comprehensive welfare state system in the world, which benefits foreign workers as well as Kuwaitis.

In the short term, these economic pressures will continue because there is still much development needed. But the capital cost is beginning to decline as more and more major projects are completed, and there is now serious talk about reducing the size and cost of the foreign labor force, although it remains to be seen whether this is possible.

But in the long term, Kuwait is building a strong and efficient base to service and supply regional markets, and as international transport costs continue to rise, there is little doubt that Gulf industrial products will become more attractive to surrounding countries.

Kuwait is lucky in having temporary enormous wealth coupled with a small territory and population. Even the fastest rate of development in the world cannot go fast enough to absorb all that revenue, and so Kuwait is able to organize its finances sensibly, both through saving and investing, and this has shown the farsighted approach of the planners.

The saving plan is straightforward. In 1976, a Reserve Fund for Future Generations was established; each year, it receives 10 percent of state revenue plus all profits earned on the state's General Reserve Fund. Both capital and interest on the fund are untouched until the year 2000.

The fund was established at a time when political problems culminated in the dissolution of the

National Assembly, and some observers see the fund as little more than a political sweetener for younger people who are concerned about the future in the post-oil era, with little long-term economic benefit. Nevertheless, it will represent an enormous amount of capital.

Investment has taken many forms. Kuwait was the first Arab state to move into the world of foreign investment, and with increasing funds available and developing experience, the state has made a significant impact on the financial world, and even more directly on the developing world.

In purely financial terms, Kuwait's efforts to recycle its oil surpluses have produced an investment income that now approaches 50 percent of the value of government spending. An increasingly sophisticated bank sector has developed to handle surplus revenues, constantly seeking new outlets and opportunities with long-term political as well as financial advantages.

While Kuwait has sought investment in real estate and Western industry as well as in operations on the international monetary and finance markets, it has also been a world leader in offering aid to developing countries. In absolute terms, Kuwait's contribution, per capita and as a percentage of gross national product, is probably the largest in the world.

This aid is a form of investment, in that it is mostly geared to infrastructural projects that will help the development of an economy and therefore help create markets for which Kuwait will be in a position to compete. Moreover, the political friendships resulting from such aid are important to a small, non-aligned state. Thus, although the strict financial returns on aid grants and loans are low, the political-economic returns are worthy of consideration.

—KEN WHITTINGHAM



Technicians at work in a television studio in Kuwait.

**TV Is an 'Open Sesame' for Children**

(Continued from Page 7S)  
"Medicine" is being produced in cooperation with Video Arts Television in London.

**Feature Film**

Kuwait is an appropriate base for this new venture in the visual arts. Critics were surprised when in the early 1970s a young Kuwaiti director, Khaled Siddiq, won numerous international awards for his full-length feature film "The Cruel Sea." This was the first full-length feature made in the Gulf, and he used Kuwaiti actors with little experience of the film world.

Perhaps even more surprising was that the film, which dealt with the hardships of the pearl diver's life in the pre-oil days, was a critical account of exploitation and poverty, and that it by no means suggested that the oil industry had created a paradise. Yet social criticism has long been a major feature in a thriving theater movement, especially in the private sector, and in the work of Kuwaiti writers.

Not surprisingly, the pres-

ence of a well-established university, which has on occasion aroused the displeasure of the regime for allowing free academic enquiry and debate, provides a firm intellectual basis for cultural production to grow, and in this respect Kuwait is many years in advance of its Arab Gulf neighbors—except Iraq. And it is likely to play a leading role in creating a cultural response to the social problems that come with rapid development.

—KEN WHITTINGHAM

**Successful Soccer Program Wins Enthusiastic Fans**

LAST YEAR, Kuwait cruised to an easy victory in the six-team finals of the 30th World Military Football Championships, adding a trophy to an already sizable collection.

In recent years, Kuwait has dominated the most popular sport in the Gulf and has also made a considerable impact in Asia, winning the Asian Games in 1978. Now the target is Madrid in 1982 for the final stages of the World Cup. The first qualifying hurdle has been cleared, and Kuwait goes into a four-team playoff for one of the two places available to Asia in Madrid.

The extent to which soccer has become a national passion in Kuwait was demonstrated by the fact that at least four "soccer special" planes were laid on by Kuwait Airways to take fans on the one-hour trip to Doha, Qatar, for the World Military Soccer final.

Once British coaches were favored, and Dave Mackay, former Tottenham Hotspur and Derby County star, was highly successful, taking his

team to the league and cup double several times in the last few years. Now, however, the Kuwait Football Association prefers the Latin American approach to soccer, and the Brazilian World Cup player, Carlos Roberto, has been given control of the national squad.

Virtually every modern sport is played in Kuwait, and the encouragement and facilities are provided to develop outstanding talents. In athletics, a Kuwaiti shot-putter won the gold in the 1981 Asian Games in Tokyo. The state is also making progress in handball, basketball, volleyball and other sports popular in the Asian region.

Thus, quite apart from activity in the stadium and sports hall, Kuwaiti officials have been hard at work in the corridors of international sports administration. Kuwait was the first Gulf state to be represented on the council of the Olympic Committee and to head the international committee in an individual sport.

—KEN WHITTINGHAM

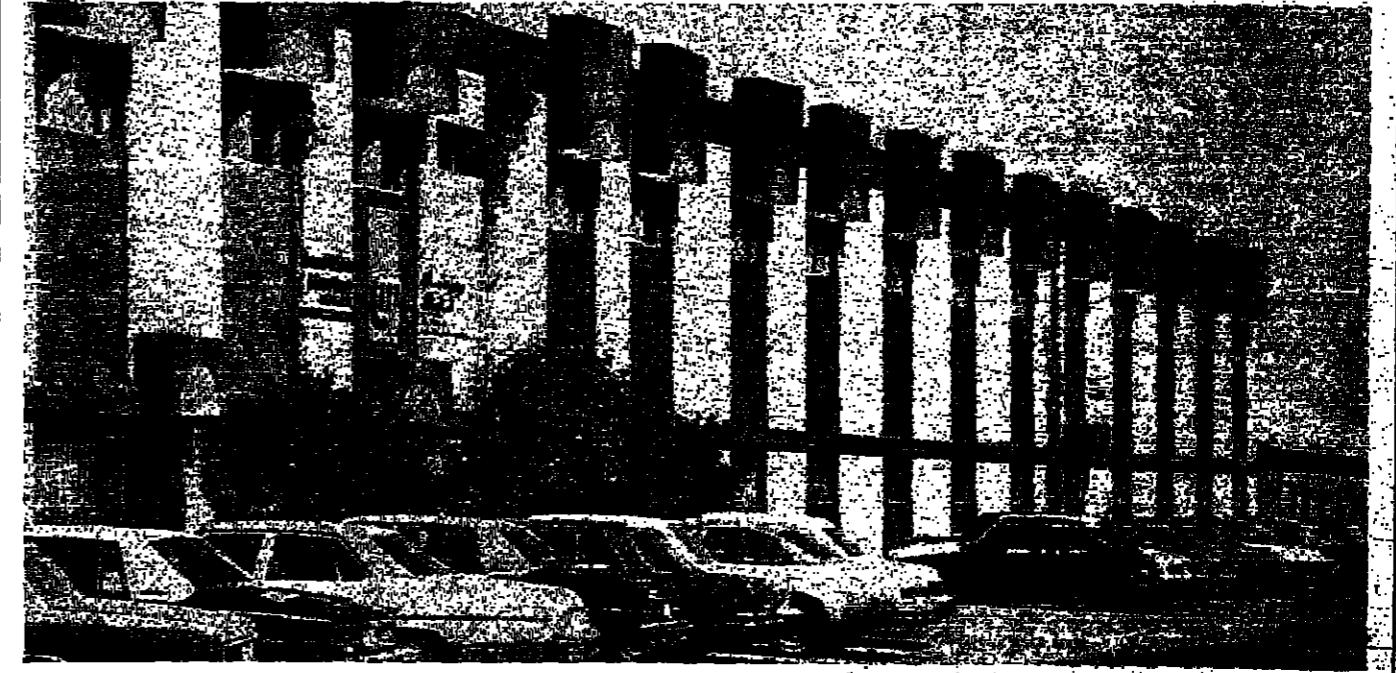
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## Education Gets High Priority

EDUCATION is the gift bestowed upon Kuwait's younger generation by the nation's great oil wealth.

About 10 percent of annual national expenditures go to ensuring that from kindergarten to graduation day Kuwaiti students have the best education that money can provide — but free of charge to them, right down to textbooks and uniforms.

It is a sensible policy because after oil Kuwait has only one natural resource, its people, and the survival of the state will eventually depend on the intelligence of future generations and their ability to translate the traditional business acumen of the Kuwaiti trader into the skills necessary for more sophisticated international dealings.

Education in Kuwait began in 1911 when a group of merchants set up a school to train a few clerks; it taught arithmetic and correspondence. The school widened its scope, but it closed in 1931 when the slump in the pearl trade crushed Kuwait's economy. In 1936, a new education system was started, staffed mostly by Palestinians from the first wave of exiles, and the first girls' school opened in 1937. Only Bahrain opened in the same year. The Gulf states had a formal if limited education system at the time.

### Student-Teacher Ratio

Now there are more than 500 schools catering to a student population of more than 250,000 boys and girls between the ages of 6 and 18. Because 50 percent of Kuwaiti citizens are under 21, it is easy to see how important the advances in education are for the future. Indeed, because of high expenditures and concentrated planning and effort, Kuwaiti schools have an average student-teacher ratio of 10-to-1, a figure unparalleled in the world.

While the long-term raising of educational standards is important, Kuwait badly needs rapid results from its educational system in order to provide a supply of trained manpower able to take control of the modern society and economy in all its aspects. Until such a supply is available, Kuwait will continue to be dependent on



Students attending a class at the University of Kuwait.

foreign manpower at a high economic, social and ultimately political cost.

The work of the University of Kuwait — which was established in 1966 with a handful of students but now has almost 20,000, with a slight majority of women — is beginning to make an impact in government service and industry. The university has attracted a high-caliber staff from the Arab world and abroad and has acquired a considerable reputation in various fields of research.

### Economic Demand

While engineering and medicine courses provide skills desperately needed in the society, there are complaints that the university is not sufficiently geared to economic demand. Deputies in the National Assembly have recently called for the creation of a petroleum and mineral studies faculty.

Oil Minister Sheikh Ali al-Khalifa al-Sabah told the assembly that a number of Kuwaiti petroleum engineers and geologists are working with the oil companies but that

there is an acute shortage of mechanical engineers and chemists.

The problem is not merely the length of time required for graduates to emerge but rather that the majority of students choose the arts rather than science or technical subjects. With arts degrees they can be reasonably sure of a comfortable job in the civil service, which has become the major employer of Kuwaitis.

A further problem is that more than 50 percent of university students are women and, although women are now being employed in teaching, social services and other traditionally acceptable jobs, there is little evidence of any will to make them equal to men in industry.

### Training Programs

At a lower level of academic achievement, both government and industry are involved in training programs to increase the involvement of Kuwaitis in senior positions and reduce dependence on expatriates. For example, the Kuwait Oil Tanker Co. offers free three-year training courses to qualified Kuwaitis, at a cost to the company of about \$50,000 per trainee.

Few Arab marine officers are currently employed or even available, yet fleet manager Jassem Kanaan believes that Kuwaitis, with

KEN WHITTINGHAM

their long heritage as seafarers, could quickly come to grips with the demands of modern marine systems. Again, the problem will be to persuade relatively pampered young Kuwaitis who can be sure of a desk job in a ministry that they should engage in such work, however vital it may be to the national economy.

Achieving the right balance in bringing up children is not easy, and whether government officials — mindful of their own harsh experiences before the days of oil wealth — have been too easy on youth remains to be seen.

But there can be no argument about the government's concern in two special areas of education. The first is the treatment of the handicapped. The Arab world has tended to hide its handicapped population as something shameful. Not so Kuwait. Those familiar with Kuwait say that the standard of treatment of handicapped children in particular probably the highest in the world, with every possible assistance provided.

Moreover, 30 years ago, few Kuwaitis were able to read and write. The government does not claim to have solved the problem, especially among older people who had no schooling. But the nation does have a literacy rate above 70 percent and rising.

But most Kuwaitis do not like apartments. They prefer the traditional one- or two-story villa, even if it is fairly basic.

## Nation's Housing Shortage Called Severe

IN THE GULF, where immigrant labor swelled the population after the oil price boom, the housing problem is severe. In Kuwait, where the native population is also growing rapidly, a permanent solution seems virtually impossible.

In 1976, the government announced a five-year, \$5-billion program aimed at providing every Kuwaiti family with a house by 1980. In 1978 alone, more than 12,000 housing units were built for low-income families, mostly available. But the problem continues.

The new five-year plan for the National Housing Authority envisages spending \$4.98 billion on 36,000 new housing units. Again, the majority, about 25,000, will be for poor families. But 1980 statistics show that there are already 22,000 families waiting for low-income housing.

Yet housing has been given top priority. A generous plan for buying land from Kuwaitis at high prices in the 1960s was initially aimed at a direct redistribution of wealth. The few Kuwaitis who owned no land were given land that was then bought by the government. Once most of the land was in the hands of the government, the old Kuwait city was demolished and reconstruction began.

Houses and land were made available to citizens with no deposit, a repayment period of 25 years and at 2 percent interest, and the selling price was usually subsidized. For those who could not afford to buy, low-income housing was available at rents fixed at a maximum of 5 percent of the tenant's income. By the end of 1974, after a period of rapid construction that provided jobs as well as houses, 13,500 low-income group housing units had been made available.

The shortage is exacerbated by two factors. One is that 60 percent of Kuwaitis are under 25, which means that demand by citizens alone increases not only with population growth but also as young men set up families.

In addition, according to a government estimate, the cost of building a high-rise apartment in Kuwait city, because of rising construction costs and even more because of the rising cost of land, is about four times higher than the cost of a similar building on Park Avenue in New York.

But most Kuwaitis do not like apartments. They prefer the traditional one- or two-story villa, even if it is fairly basic.

The government is now concentrating on creating model residential areas outside crowded Kuwait city, and especially nearer the main centers of employment in the industrial zones. Schools, clinics and shopping facilities as well as mosques are part of the infrastructure, as are parks, leisure and sporting facilities, all of which increase the unit cost of housing but are important in preventing social unrest.

Two problems that have recently received attention from the authorities are how to deal with the rising bachelor population, as little single-gender society housing had been planned and how to rehouse Bedouins, many of whom have come to the city and created

shantytowns. Under a special rural housing program, 10,000 houses were scheduled to have been distributed to Bedouins by the end of 1980, with priority to those who have not only been accepted for Kuwaiti nationality, a minimum requirement, but who are also serving in the army, police or civil service.

— KEN WHITTINGHAM

### Cost-of-Living Index

Category	Weight	Index						Change Over Preceding Year (%)		
		1974	1975	1976	1977	1978	1979	1974	1975	1976
Foodstuffs	17.1	115.4	119.0	117.7	117.4	102.4	106.5	17.8	3.0	1.6
Clothing and Accessories	14.5	105.1	112.7	121.4	121.3	106.5	106.5	10.5	7.0	5.1
Housing, Appliances	2.1	101.4	124.7	106.5	107.7	107.2	104.0	22.7	17.4	2.1
Household and General Services	17.7	109.4	107.8	106.0	107.8	114.8	106.3	2.3	5.1	15.4
Durable Consumer Goods	14.0	107.7	121.1	124.8	120.8	120.9	116.7	16.1	9.5	10.7
Transport and Communications	1.6	105.1	121.5	120.8	119.2	119.5	119.0	14.7	-0.8	1.4
Entertainment, Medical and Recreational Services	2.5	104.1	101.0	106.0	120.0	121.1	104.9	4.7	9.8	7.9
General Index	100	108.4	122.8	131.7	142.7	156.8	166.4	17.9	13.1	8.6

Source: Ministry of Planning, Central Statistical Office.

Note: Index for housing and related services for 1976 and 1977 has been estimated to include the recent adjustment in rentals under this division. Consequently, totals differed from each other in the odd two years. (Ref. Comprehensive Survey by the Central Statistical Office.)

## Road Death Rate Is Highest in World

OL REVENUES have given Kuwait international status and recognition. Its welfare system is the envy of many more developed states, and in other fields, ranging from oil refining to foreign trade, Kuwait has set examples. But Kuwait has one international list that is more of a matter of shame, although the fault lies with individuals.

The death rate from road accidents is the highest in the world, according to Maj. Nabil Shuhaimer, the director of planning in the Traffic Department, in a recent interview with the Arab Times of Kuwait. The statistics he quoted told a gruesome tale.

One death and seven injuries occur per 57 traffic accidents — there were 24,891 accidents in 1980. The fatality rate in road accidents in Kuwait is one for every 2,000 people, for parking offenses, 12,986 for driving in the wrong direction, 8,268 for speeding, 7,193 for driving on the pavement and 1,188 for racing.

The authorities are doing their best to improve standards. Last year, more than 95,000 people applied for driving licenses, and about 8,000 took the driving test each month. Only 35,000 were ac-

tually issued licenses — not because the test had been made more difficult, Maj. Shuhaimer said, but because many applicants simply did not know how to drive. He called for an improvement in the standard of driving schools and instructors as a first step toward improving general standards.

Quite apart from accidents, which can be reduced by a more responsible attitude on the part of drivers, the pressure of so many vehicles has forced the government to begin major road programs to ease traffic flow in areas that in many cases have only been recently developed. A 350-kilometer network of highways is being constructed to take some of the load of roads in the center of Kuwait city onto ring roads.

The road program is expected to cope with the traffic up to the year 2000, by which time planners are already convinced that a new program will be necessary. As the city develops, so the problems of creating road systems become more complex and create more disruption. The cost per kilometer of road increases dramatically every year.

— KEN WHITTINGHAM

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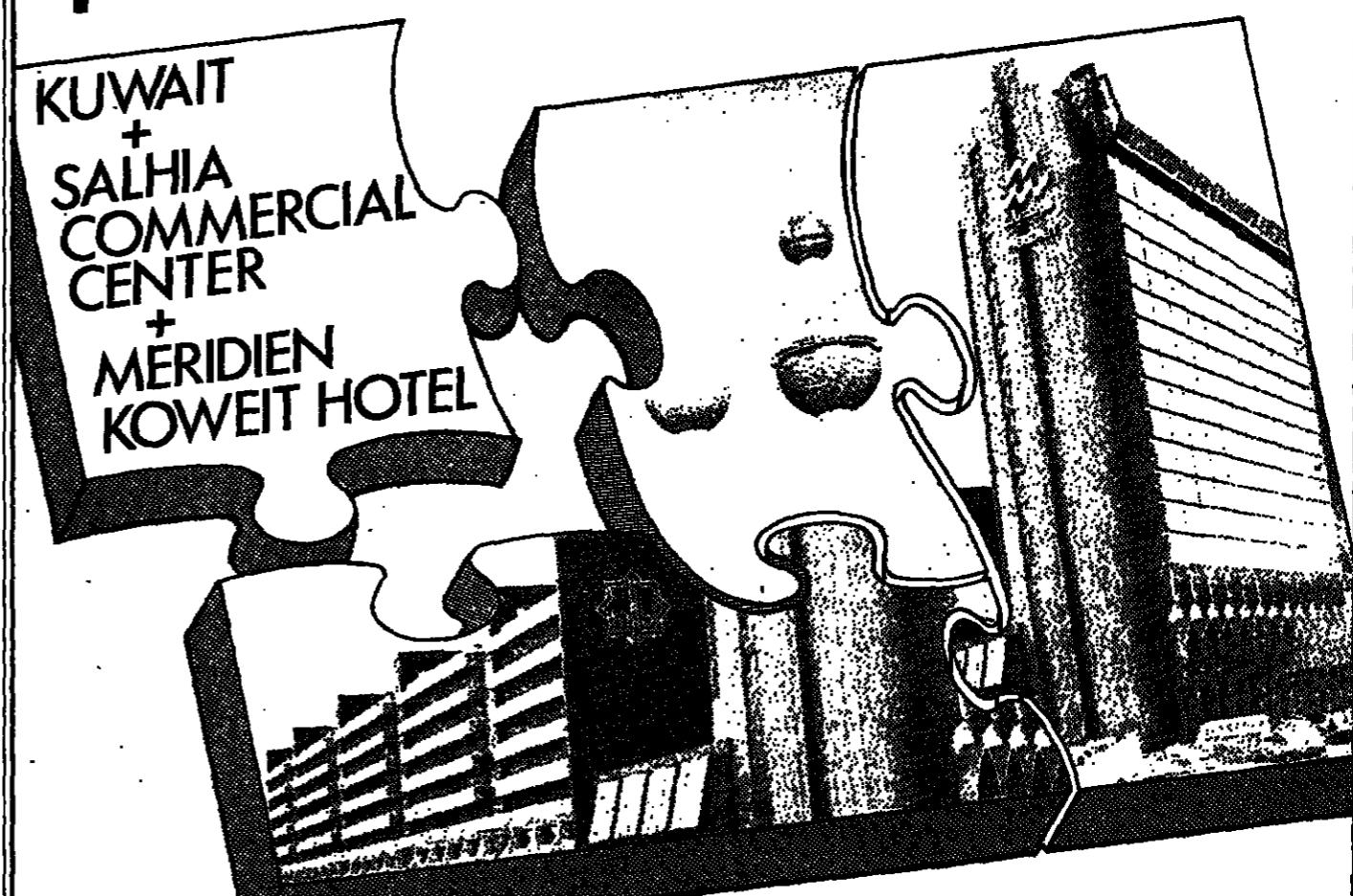
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## The simplest things can be the most difficult to achieve.

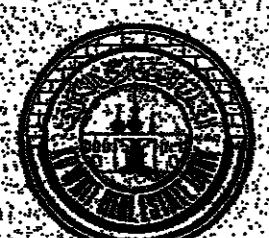
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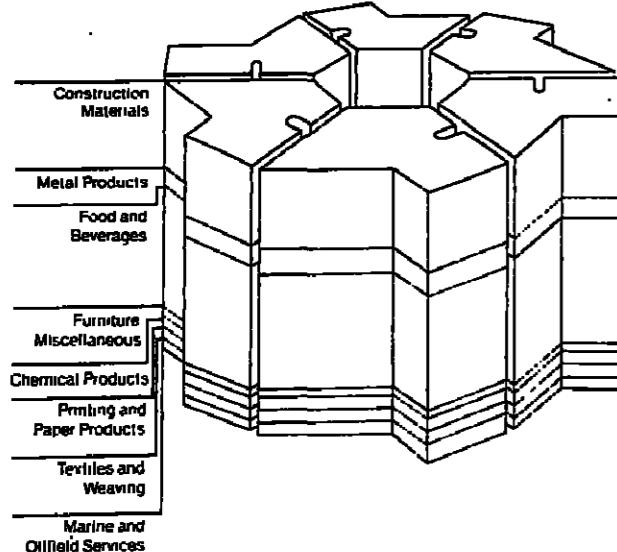
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## KUWAIT

# A Developing Nation Takes Leading Role in Aid to Third World

MANY WESTERNERS have accused the Organization of Petroleum Exporting Countries — and particularly Kuwait because of its stand on oil price rises — of crippling the economies of developing countries through fuel prices, yet few people are aware of the pioneering role played by Kuwait in developing new forms of aid to the developing world, or of the scale of the aid programs.

Even before 1973, when the price of a barrel of crude oil was less than \$3, Kuwait's total flow of government finance to the Third World was more than \$2 billion. With the increase in revenues, the aid expanded. Between 1973 and 1976, the aid was about \$5.4 billion, or 11 percent of gross national product, 22 percent of OPEC aid and 4 percent of the net flow from Development Assistance Committee countries.

Not only is the extent of the aid significant but also the form and motives for such contributions, which have been a model for changing the structure of finance between wealthy and less wealthy nations.

The most important and innovative organ through which Kuwait disburses aid is the Kuwait Fund for Arab Economic Development (KFAED). It was established in 1961 with a declared capital of nearly \$700 million and a lending capacity of three times that figure. Its purpose was "to assist Arab and other states in developing their economies."

**Stringent Conditions**  
KFAED is funded by the state but its operations are independent. It offers funds on soft terms but under stringent conditions. It will usually finance no more than 50 percent of a project. The plan must be vital to the recipient country's economic development and involve host government financing. To ensure a recycling of development funds, the project must be self-liquidating within a reasonable term. Financing is paid in installments according to the progress of a project, which is constantly reviewed.

The motives for establishing the fund initially were obvious. Kuwait, already wealthy although not fabulously rich, was seeking membership in the United Nations and wished to be taken seriously as a member of the international community. Moreover, aid to Arab countries in particular was a means to regional solidarity, while the effect of aid in improving the gap between rich and poor in the

Kuwait, despite its wealth, is still a developing country. Thus it was a leader in moving aid from developing to developing nation. For the first time, a great deal of economic aid was available from a source other than a superpower or a former colonial power. A new form of relationship based on mutual benefit was developing.

Unlike advanced countries, Kuwait was not looking for a market for its exports — the developing countries are minimal consumers of oil, and sufficient markets already exist. But Kuwait needs outlets for its surplus funds that will provide a secure investment in the short and the long term. It also needs food security, because it has no hope of becoming self-sufficient.

**Variety of Projects**

KFAED is financing projects for irrigation canals in Sudan, railways in Pakistan, oil refineries, power stations, roads and agriculture. More than 40 countries have benefited from about 150 loans since the fund was established.

The fund has won high praise from those involved in the problems of financing Third World development and has shown results in improving the economies of a number of countries.

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Arab world would promote political security.

*Not only is the extent of the aid significant but also the form and motives, which have been a model for changing the structure of finance between rich and developing nations.*

Oppment, the General Authority for the Arabian Gulf and South Arabian States deals with social development. Established in 1962 to help the development of health, housing and education services in the lower Gulf states, its activities have been expanded to the whole region and as far as Sudan.

### New Relationship

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**Variety of Projects**

KFAED is financing projects for irrigation canals in Sudan, railways in Pakistan, oil refineries, power stations, roads and agriculture. More than 40 countries have benefited from about 150 loans since the fund was established.

The fund has won high praise from those involved in the problems of financing Third World development and has shown results in improving the economies of a number of countries.

While KFAED deals only with projects aimed at economic development, the project must be self-liquidating within a reasonable term. Financing is paid in installments according to the progress of a project, which is constantly reviewed.

The motives for establishing the fund initially were obvious. Kuwait, already wealthy although not fabulously rich, was seeking membership in the United Nations and wished to be taken seriously as a member of the international community. Moreover, aid to Arab countries in particular was a means to regional solidarity, while the effect of aid in improving the gap between rich and poor in the

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## BUSINESS NEWS BRIEFS

## Ciba-Geigy Group Sales Rise 18% in '81

BASEL — Ciba-Geigy reported on Thursday an 18 percent increase in 1981 first-half group sales and said that it expected group net earnings for the year to be 10 percent's 305 million francs (about \$55 million).

In a letter to shareholders, it said the extent of the rise will depend largely on economic and currency developments during the second half. Group sales in the first half rose to 7.64-billion francs, from 6.43 billion in the same period last year. In terms of local currencies, group sales rose 11 percent. Earnings improved along with sales, it said, without giving figures.

## Rhône-Poulenc to Sell Morton-Norwich Stock

NEW YORK — Rhône-Poulenc said Thursday that it intends to sell its 20.3-percent holding of Morton-Norwich Products Inc. common stock, and has filed its intention with the Securities and Exchange Commission.

The company's statement said, "Its objectives were no longer best served by the continued holding of the stock, and that it expected to sell its investment as soon as practicable on such terms as are most beneficial to Rhône-Poulenc and in a manner which will not violate any applicable obligations under the 1978 agreement between Rhône-Poulenc and Morton-Norwich pursuant to which the investment was made." It offered no further details.

## Fujisawa Sets Joint Venture With U.S. Firm

New York Times Service

NEW YORK — Japan's Fujisawa Pharmaceutical Co. and the Smithkline Corp. of Philadelphia have agreed to form a joint venture company in Philadelphia to develop and market pharmaceuticals in the United States, Fujisawa said Thursday.

The joint venture, the Fujisawa-Smithkline Corp., which would be subject to a review by the agencies, would be equally owned by the two companies, it said. Terms of the accord were not disclosed.

Fujisawa said the first product to be marketed by the new concern is expected to be an antibiotic.

## RCA Files for a Direct Broadcast Satellite

Reuters

NEW YORK — RCA said Thursday that it has filed with the Federal Communication Commission for authority to operate a direct broadcast satellite system.

RCA said the initial investment to orbit and operate the first satellite and a spare, along with the ground investment, is estimated at \$400 million. The complete system as proposed would require a total investment of \$760 million, RCA said. It said RCA American Communications made the filing.

## Purchase of Connecticut General Is Declined

Reuters

NEW YORK — Second Bouvier Properties said it has not purchased any of the Connecticut General Mortgage and Realty Investments shares tendered under its offer that expired Thursday.

All securities tendered will be returned, Second Bouvier said. The company, which is controlled by Britain's National Coal Board Pension Plan, had offered \$267 million for Connecticut General Mortgage.

Prudential Insurance of the United States started a \$340-million offer for Connecticut General Mortgage on Wednesday.

## Husky Approaches BP Canada for Acquisition

Reuters

TORONTO — Husky Oil Chairman Robert Blair said Thursday that the company is interested in further acquisitions and has approached several oil firms, including Sun Co.'s Sunoco Inc. and British Petroleum's Canada.

Mr. Blair, president of Nova, an Alberta corporation that owns 68 percent of Husky, said that no deals have been reached. Husky recently agreed to purchase for \$430 million the Canadian assets of Shell Explorer, a unit of Shell Oil Co.

"We intend to be, by the middle of the 1980s, among the top three or four oil companies in Canada — measured by any terms," he said.

## CFP to Resume Imports of Mexican Crude

The Associated Press

PARIS — Compagnie Francaise des Petroles, one of France's two state-controlled oil groups, said Thursday it would resume suspended imports of Mexican crude oil next month under the terms of an existing contract.

CFP had said earlier this month that it was suspending imports of Mexican crude during the present third quarter, after the state oil company Petróleos Mexicanos indicated that it would try to retrieve half of a \$4-a-barrel price cut made on June 1.

The CFP announcement Thursday came after discussions with Pemex officials in Paris. CFP said imports would resume in August but would be conditional on "adjustments to be mutually agreed at that time." It did not say what price would be paid.

The Mexican delegation to the Paris talks included Pemex Director of the Mexican delegation to the Paris talks included Pemex Director.

## Dutch/Shell Expects Loss In Currency Translation

Reuters

LONDON — Royal Dutch/Shell group said Thursday it is likely to show a net currency translation loss on the order of \$400 million to \$450 million in the second quarter.

This arises from the continued weakening of sterling and the application of the U.S. accounting standard of translation and conversion of foreign currencies, Federal Accounting Standard 8, the company said.

The group said the losses on monetary items arise principally from the large amount of dollar-denominated debt owed by group companies. A major proportion of this is owed by Shell Oil of the United States, in which the group has a 69-percent interest.

Consolidation Purposes

Shell Oil will not in fact incur any real exchange gain or loss on repayment and its dollar liabilities are amply covered by its dollar revenues and assets. But for consolidation purposes the exchange effects, in sterling terms, on its dollar liabilities are required to be reported.

In the second quarter last year Royal Dutch/Shell group had a currency translation gain on inventories sold and on monetary items of \$20 million.

Second quarter 1980 net income was \$680 million.

The group said the example of Shell Oil's position serves to emphasize that FAS 8 is inappropriate to an international group like itself. This is because borrowings in a variety of currencies by group companies, which are aggregated in the group accounts, are largely backed by revenues and assets in those same currencies.

The group said the example of

## Volcker Sees Support For U.S. Rates Policy

By Hobart Rowen  
Washington Post Service

WASHINGTON — Paul Volcker, the Federal Reserve Board chairman, said Thursday that despite criticism of high U.S. interest rates by European leaders, the principal finance ministers and central bankers with whom he deals support "the basic intent or thrust of our policies."

Mr. Volcker cited a comment made to him by "one wise foreign official" that he said represented the European evaluation of U.S. policies: "You cannot expect us to be enthusiastic about the effects of your policies. We will all have different opinions about just how you are going about it. But the fact is, we have no agreed better alternatives to offer you. We can only wish you success."

The Fed chairman was appearing before the Joint Economic Committee of Congress, whose chairman, Democratic Rep. Henry S. Reuss of Wisconsin, has been urging a change in fiscal and monetary policy to reduce "miserably high interest rates."

Mr. Volcker, while agreeing with Rep. Reuss and many European critics that the burden placed on the Fed would be reduced if fiscal policy restraints were stronger, said: "It is equally important to recognize that there are no quick fixes available through monetary policy to lower or fine-tune interest rates."

## Lower Rates

He said repeatedly that the Fed would like to see lower interest rates. "That will happen," he said, adding that it was mistaken to think that "we are following a policy deliberately directed at achieving high interest rates and dollar appreciation."

Responding to assertions abroad that the United States must be sensitive, in an interdependent world, to the effect of its policies have on the performance of other economies, Mr. Volcker said that the United States "should not and cannot assume" responsibility for all economic difficulties being experienced in Europe or elsewhere.

He said that the 20-percent weighted average appreciation of the dollar since December, 1980, against major European and other currencies is not entirely due to U.S. interest rates. The differential on U.S. interest rates compared with the rates of other industrial countries, he said, has declined

about 2.5 points since the end of last year. Even though U.S. short-term interest rates are about 1 percentage point less than the December average, European currency values have continued to decline, he said.

He attributed this pattern to other causes, including signs of a better price performance in the United States, continuation of a favorable international balance of payments while Europe's deficits grow, and a favorable assessment in Europe of the Reagan economic program. He also pointed to "a sense of greater political change and uncertainty" in Europe.

The Fed chairman also cited



Paul A. Volcker  
...No quick fixes...

## Japan Reportedly Intent On Halting Yen's Decline

From Agency Dispatches

TOKYO — Japan will intervene in the foreign exchange markets to prevent further depreciation of the yen against the dollar, Finance Minister Michio Watanabe was Thursday reported as having said.

His comments became known as the dollar reached a 14-month high against the yen despite central bank intervention.

It was unclear whether Mr. Watanabe's reference to intervention concerned the Bank of Japan or the Finance Ministry's foreign exchange fund.

Officials at the Finance Ministry, declining to confirm Mr. Watanabe's reported remarks about intervention, confirmed that he had stressed the responsibility of high U.S. interest rates in the weakening of the yen.

He was reported to have said that Japan would ask the United States at the seven-nation economic summit coming up next week in Ottawa to lower its interest rates soon.

Japanese reports of remarks by Mr. Watanabe at a seminar held at the mountain resort of Karuizawa did not mention a specific rate at which the government would step in, nor how much it contemplated to spend.

After rising above 230 yen in Tokyo trading Tuesday, the dollar traded at 231.35 yen Wednesday. Dealers said the Bank of Japan had at least \$200 million Thursday as the dollar rose to a 14-month high of 232.60 yen before closing at 230.65.

Mr. Watanabe reportedly declared that the government would act to prevent a further depreciation of the yen that could push prices up, since the government

seeks domestic price stability to stimulate personal consumption.

A further depreciation of the yen would also make Japanese products more competitive on world markets, thus provoking added tension with trade partners concerned by Japanese imports into their home markets.

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Sen. Hollings objected to the way the bill requires AT&T to set up a separate subsidiary to enter the new fields.

Two Hollings amendments — one to make the subsidiary put some of its stock on the market and the other to keep the subsidiary

value of the stock at 100 percent.

The panel agreed to hold off, at least for the time being, on an amendment that would prevent Canadian companies from buying more than 5 percent of any U.S. energy-company stock for the next nine months.

"But let the word go out," warned Rep. Mark L. Marks, Republican of Pennsylvania, "that unless we are able to resolve these (Canadian) problems, to protect U.S. interests, that this very drastic action (a moratorium) may be considered in the very near future, if not the very, very near future."

The full committee is expected to take up the margin requirements legislation soon and a similar bill is pending in the Senate.

## U.S. Bill on Takeovers Advances

The Associated Press

WASHINGTON — A House subcommittee Thursday unanimously approved a bill that would make it harder for foreign investors — notably Canadian firms — to take over U.S. energy companies.

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The full committee is expected to take up the margin requirements legislation soon and a similar bill is pending in the Senate.

## U.S. Factory Use Down

Reuters

WASHINGTON — The utilization rate of U.S. factories fell to a seasonally adjusted 79.6 percent in June from 80.1 percent in May, the Federal Reserve said Thursday.

## Senate Unit Backs Deregulation Of Telecommunications Firms

By Patricia Koza  
U.S. News International

WASHINGTON — The Senate Commerce Committee Thursday approved legislation that would restructure the telecommunications industry by opening to competition every aspect of it except basic telephone service.

The complex bill would let American Telephone & Telegraph Co. move into lucrative fields such as construction and data processing. It now is based on entering these fields by a 1956 settlement with the government of an anti-trust suit.

It was the first time such legislation — introduced in Congress in one form or another for the past six years — has made it out of committee.

The legislation also would deregulate key portions of the telephone industry, including manufacture and supply of telephone equipment and certain long-distance services.

## Hollings Objection

The bill was approved on a 16-1 vote, with Ernest Hollings, Democrat of South Carolina, opposing it on the ground that it did not contain enough safeguards to prevent AT&T from engaging in what he called anticompetitive practices.

Sen. Hollings objected to the way the bill requires AT&T to set up a separate subsidiary to enter the new fields.

Two Hollings amendments — one to make the subsidiary put some of its stock on the market and the other to keep the subsidiary

value of the stock at 100 percent.

Services would be open to competition except in cases where they are not otherwise defined.

The bill would permit AT&T, for example, to offer an electronic "yellow pages," although its entry into this field was severely limited following outcry from the American Newspaper Publishers Association.

Under the bill, basic telephone service would remain regulated, but all other telecommunications

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General Motors Chairman Roger Smith shakes hands at a briefing in Tokyo with Isuzu Motors chief Toshio Okamoto. (The Associated Press)

## Seagram Seen Aided In Fight for Conoco

From Agency Dispatches  
NEW YORK — Speculation on Wall Street about the multibillion-dollar battle for Conoco has turned to reports that Seagram may get a partner in the bidding.

And, in a development that Wall Street analysts said they could not yet explain, the Marathon Oil Co. already considered a takeover target, said it was arranging bank loans totaling \$5 billion. The credit was being put together through a group headed by the Chase Manhattan Bank.

### Mobil, Texaco

Marathon refused to elaborate on the purposes of the credit, other than to say that the funds would be in addition to others already available. The loan is roughly as large as those being organized by other companies involved in the bidding for Conoco.

Mobil, widely expected to be planning a bid, is thought to have lined up \$5 billion in loans. Texaco, another potential bidder, is to have some \$5.5 billion in similar loan commitments. Wall Street analysts said, however, that they were fairly certain that if J-seph E. Seagram & Sons eventually

took on a partner, the move would be unrelated to the Marathon loan talks.

Responding to a bid earlier this month by Du Pont, Seagram offered \$85 a share, \$3.8 billion in cash, for 51 percent of Conoco. Seagram said that it would be ready to buy the stock and pay for it as early as next week.

Du Pont countered on Tuesday by raising its bid to \$95 a share for 40 percent of Conoco and to 1.7 of its shares for each of the other 60 percent of Conoco's shares.

Sizing up the two bids, many Wall Street analysts noted that although Seagram was offering somewhat less than Du Pont, it was prepared to pay next week, while Du Pont still faced a major antitrust investigation by the Justice Department and would be unable to pay until it got clearance, which could mean a month's delay.

### Scant Chance

Seagram's edge could be academic, some analysts said, if Mobil, Texaco or, possibly, some other oil company made a bid.

Analysts said that they thought Mobil might be the first to make its move, and that if Mobil did, Texaco most likely would enter the fray. Both are thought to have scant chance of passing muster with the Justice Department because of their size, a consideration that may have delayed their entry until now.

Sources friendly to Seagram said it was their understanding that the liquor company had "not given up" and might increase its \$85 offer or, possibly, raise the number of shares it would purchase immediately. This would happen, they said, only if it seemed that Du Pont was going to get antitrust clearance. In that case, Seagram could bring in a partner so that the two could jointly raise the stakes still higher.

## GM Chief Sees Few J-Car Sales in Japan

From Agency Dispatches

TOKYO — Although General Motors is mounting a worldwide campaign to sell its new line of compact cars, its chairman said Thursday that he does not expect to sell many "J-cars" in Japan.

However, the overall world reception by the public of the new compact is "better than we expected," Chairman Roger Smith said.

In Japan to mark the 10th anniversary of the financial tie-up between General Motors and Japan's

Isuzu Motors, Mr. Smith said the wide selection of small cars in Japan will make it hard for General Motors to sell U.S.-made J-cars in large numbers.

At a joint news conference with Isuzu President Toshio Okamoto, Mr. Smith said he did expect substantial sales of the J-cars, "but they'll be Okamoto's J-cars."

Isuzu will be manufacturing a car similar to the compact, Mr. Okamoto said.

Meantime, industry sources said that the two Toyota Motor executive directors have left for the United States to resume talks with Ford Motor on possible joint production of small cars in the United States.

A Toyota spokesman confirmed that the two executives are visiting the United States. The spokesman said that he could not rule out the possibility the Toyota executives will meet with Ford.

### Britain

#### Distillers

Year Revenue..... 1980 1,040.0 1979 1,010.0

Profits..... 125.0 144.7

Per Share..... 34.02 39.48p

#### Unigate

Year

Revenue.....

Profits.....

Per Share.....

#### CBS

Year

Revenue.....

Profits.....

Per Share.....

#### Nippon Mining

Year

Revenue.....

Profits.....

Per Share.....

#### United States

#### Alcoa

Year

Revenue.....

Profits.....

Per Share.....

#### Diamond Int'l

Year

Revenue.....

Profits.....

Per Share.....

#### Aluminum Co. of America

Year

Revenue.....

Profits.....

Per Share.....

#### Bankers Trust N.Y.

Year

Revenue.....

Profits.....

Per Share.....

#### Ell Lilly & Co.

Year

Revenue.....

Profits.....

Per Share.....

#### Evans Products

Year

Revenue.....

Profits.....

Per Share.....

#### Bendix Corp.

Year

Revenue.....

Profits.....

Per Share.....

#### Burroughs Corp.

Year

Revenue.....

Profits.....

Per Share.....

#### First Int'l Bancshares

Year

Revenue.....

Profits.....

Per Share.....

### COMPANY REPORTS

Revenue and profits, in millions, are in local currencies unless otherwise indicated

#### 1st Half

#### Revenue.....

#### Profits.....

#### Per Share.....

#### Philip Morris Inc.

#### 2nd Quar.

#### Revenue.....

#### Profits.....

#### Per Share.....

#### Fruehauf Corp.

#### 2nd Quar.

#### Revenue.....

#### Profits.....

#### Per Share.....

#### General Telephone & Electron.

#### 2nd Quar.

#### Revenue.....

#### Profits.....

#### Per Share.....

#### Georgia Pacific Corp.

#### 2nd Quar.

#### Revenue.....

#### Profits.....

#### Per Share.....

#### RCA Corp.

#### 2nd Quar.

#### Revenue.....

#### Profits.....

#### Per Share.....

#### Reynolds Metal

#### 2nd Quar.

#### Revenue.....

#### Profits.....

#### Per Share.....

#### IC Industries

#### 2nd Quar.

#### Revenue.....

#### Profits.....

#### Per Share.....

#### Safeway Stores

#### 2nd Quar.

#### Revenue.....

#### Profits.....

#### Per Share.....

#### Union Camp Corp.

#### 2nd Quar.

#### Revenue.....

#### Profits.....

#### Per Share.....

#### Oil Corp.

#### 2nd Quar.

#### Revenue.....

#### Profits.....

#### Per Share.....

#### Yellow Freight Systems

#### 2nd Quar.

#### Revenue.....

#### Profits.....

#### Per Share.....

#### Penn Central Corp.

#### 2nd Quar.

#### Revenue.....

#### Profits.....

#### Per Share.....

#### Westdeutsche Landesbank Girozentrale

#### 2nd Quar.

#### Revenue.....

#### Profits.....

#### Per Share.....

These securities have been sold outside the United States of America and Japan. This announcement appears as a matter of record only.

16th July, 1981



## RYOBI LIMITED

(Ryobi Kabushiki Kaisha)

### 7,000,000 Shares of Common Stock

(par value ¥50 per share)

evidenced by European Depositary Receipts

ISSUE PRICE \$1.767 PER SHARE

(equivalent, at the rate of exchange adopted for the purpose, to ¥400.40 per share)









